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Gorbachev Remarks on G-7 Summit Reported

Future of Reforms

LD1907140191 London PRESS ASSOCIATION in English 1309 GMT 19 Jul 91

[By Chris Moncrieff]

[Text] Soviet President Mikhail Gorbachev said today he would do the same things to reform his country if he had his time over again—but it should have started 10 or 20 years earlier.

"We have to do what we are doing otherwise we would have been shunted aside in the world," he said in an interview at the Soviet Embassy in London for ITN by Jon Snow of Channel 4. He also admitted that some old structures might have been abandoned too rashly before the new structures were created. But he added: "I think the harvest will be very rich in the future, but even in the near future we expect our efforts to yield practical results for the people."

Mr. Gorbachev bluntly told the West that there must now be some movement to tear down the barriers which were hampering the Soviet Union's economic development. But he hailed as "historic" the G7 summit decisions designed to halt his country's slide into economic and social turmoil. The Soviet leader spoke in the wide-ranging interview of the need to continue the movement towards a nuclear-free world and warned that the nuclear club should not be allowed to expand. In an illuminating personal passage he said it was "unpleasant" to hear calls for his resignation within his own country but added that the "plus" of that was that it demonstrated that democracy was under way in the Soviet Union.

Earlier, Mr. Gorbachev spoke about his relationship with John Major. "Over these days I have become convinced that we will be able to work well and very fruitfully with the new British prime minister," he said. "We have new opportunities for cooperation and also for making our relations more effective and more efficient. I am quite optimistic about our relations with the current prime minister of Great Britain."

He went on: "We have seen the political will of the leaders of the major countries to work together, based on the positive achievements of recent years to further develop our relationships and to make further steps to use the advantages of the end of the cold war and of the new beginning of the new phase in international relations. My assessment is the same as Mr. Major's in that this was an historic event."

Turning to the agreement on strategic arms reduction talks reached earlier in the week with U.S. President George Bush, Mr. Gorbachev said: "I do believe that we have to continue movement towards a nuclear-free world." He agreed that the hopes he expressed as early as 1986 were doubted by some people, who regarded them as "just an illusion". They had seemed "utopian", he said. But they proved to be well-thought-out ideas—"and we will move forward on the basis of this concept". But he warned: "We have to give very serious thought again and again to the problem of non-proliferation, making sure that the nuclear club does not expand."

The Soviet leader warned: "Quite a few countries are capable of developing nuclear weapons. Since the world has begun movement towards nuclear disarmament we cannot approve of such nuclear intentions. We have to use the United Nations to make sure that no such thing happens and that verification and other mechanisms are used for this."

Mr. Gorbachev turned to the state of the Soviet Union's economy and the efforts for his country "to become organically integrated in world economic relations".

He said: "It is important to make sure that the Soviet Union is able to accept the rules of the game of the international economies and that we can make our economy and the economies of other countries really compatible. That is why we are adopting these reforms and moving towards a market economy. We say this cannot happen unless the Western countries change their approaches to their economic relations with the Soviet Union. A great deal in these economic relations developed and evolved over the years of the cold war and still bear the marks of the cold war."

The West set up barriers to ensure that the Soviet Union could not expand its military power, Mr. Gorbachev said. "But now we need some reciprocating movement from the West." Barriers imposed by the West—earlier in the week he described them as "road blocks"—could stop even billion-dollar projects from going ahead, he said.

"We believe it is important therefore to show that it is not just the Soviet Union that will make this movement but that there will be some reciprocating movement from the West."

Asked what he thought about the calls for his resignation from within the Soviet Union, Mr. Gorbachev replied: "In every country, and particularly in the countries where opposition parties exist, you will hear from time to time calls for the resignation of a government. It is unpleasant to hear this but I would like to say there is one plus to it—that is that it shows democracy is under way in the Soviet Union."

Asked if he thought it was possible there might one day be a non-communist president of the Soviet Union he said: "Some non-communists have been elected presidents but in most cases these are former communists, so that some part of them remains that. We are creating free elections and they are providing a safeguard for our society."

But Mr. Gorbachev warned that reforms could not be implemented without the (?trust and) support of the people.

Asked whether he would have done things differently if he had his time over again, he said: "I think if I had to begin again this whole process I would certainly have done it again. Now that I know more about my country and the world, I am even more convinced that what we are beginning was necessary but we should have begun much earlier, 10 or 20 years earlier, or maybe more."

But he conceded that sometimes they took decisions a little rashly—"abandoning old structures early, too rashly, without creating new structures".

Tactically he might have done some things differently. "But strategically I would have gone about perestroyka in the same way. We have not wasted our time. But we should have begun earlier," he added.

Achievements at Summit

AU2207081991 Hamburg WELT AM SONNTAG in German 21 Jul 91 p 4

["W.M./H.V." report: "Western Industrial Nations Must Eliminate Barriers"]

[Text] Moscow—Soviet President Mikhail Gorbachev is convinced that people in the Soviet Union "are receiving" the results of his trip to the London international economic summit "with satisfaction." He stressed this in an interview for WELT AM SONNTAG in Moscow after his return on the evening of 19 July (footnote) (The questions were asked for WELT AM SONNTAG by Vladimir Markov, NOVOSTI)

Asked what effect the now initiated dialogue with the seven western industrial states will have on developments in the Soviet Union, Gorbachev said:

"The Soviet people are now facing very complicated and responsible tasks, which none of the previous generations have ever faced. We have tackled them, we do not have any other choice. We have all set our tasks. Now the understanding and solidarity—not only in verbal form—that one feels are to be welcomed. In the West there are serious efforts to participate in a practical way in solving our problems. Such a partnership is always to be welcomed."

Asked about his feelings after his return from London, Gorbachev told WELT AM SONNTAG that he thinks that in London the political direction for the future was coordinated. "The maximum of what is possible" has been achieved.

Said the Soviet president: "We have found a common attitude. A new, promising process has been initiated. This is the most important thing. All other tasks will be solved within the framework of the attitude coordinated in London."

Asked about his view on the focal issues in implementing the measures that were discussed in London, Gorbachev said:

"First of all, the reforms in our country have to be implemented. This is decisive. Otherwise, it will be impossible to come to further common views, to expand cooperation with the West, and to implement agreements, which we discussed in London. In addition, I think that, as a concession, the Western industrial states, for their part, have to eliminate barriers that still burden the cooperation that was agreed on in London."

Asked about the next international economic summit under German chairmanship in Munich next year, Gorbachev said:

"I think that now everyone will consider doing many good and useful things this year so as to lay the foundation stone for a new kind of economic relations. I am convinced that the political dialogue and the solving of the security problems will have a positive effect.

"The new economic relations will also contribute to mutual dependence and predictability in politics. This is exactly what we need. The seven states are now in agreement to make concessions to us as regards our problems, to cooperate with us, and to move forward together with us with a view to the future."

Bulgarian Paper Interview

AU2007111291 Sofia ZEMEDELSKO ZNAME in Bulgarian 16 Jul 91 pp 1,4

[Interview with USSR President Mikhail Gorbachev by Aleksandr Drabkin of NOVOSTI, "at the request of ZEMEDELSKO ZNAME" and "before the president's visit to London"; precise date and place not given: "We Are Opening the Doors of the 'Holy of Holies' to Conversion"]

[Text] [Drabkin] Mikhail Sergeyevich, the mass media have not paid attention to the fact that there are no military people in the "Support Group" dealing with you. Why?

[Gorbachev] We do not intend to wage battles over the use of different types of troops; there will be no clashes either of a strategic or of a tactical type. That is why there will be no military personnel present in London. However, that does not mean that our military experts have not participated in the preparations of the respective proposals—that would be inconceivable. First of all, the changes that will occur will affect the whole of our economy, every section of it. In connection with this, there is the very pressing problem of conversion. In London we are going to suggest cooperation that will also be concerned with the conversion of our defense sector. I believe that this will be the best proof of the substantial changes taking place in our society, an indication of the

objective at which we are aiming, the opening of the doors of the "Holy of Holies"—the conversion of our defense sector.

[Drabkin] While talking about your forthcoming meetings in London, you used the word "if". Obviously, you are allowing for different outcomes to these negotiations. What will you count as a success?

[Gorbachev] The fact that this meeting is taking place is already one success. Thanks to the road we have travelled along together, we can now meet in this form. I repeat that this is a success that must be welcomed.

As for the outcome of the London meetings, we shall be able to talk about one degree or another of mutual understanding, and the speed with which cooperation develops will depend on this. I have no doubts that this is how matters will be.

Shcherbakov Comments on Results of G-7 Meetings

Summit 'Well Worth' Effort

LD2207104391 Moscow All-Union Radio Mayak Network in Russian 0607 GMT 22 Jul 91

[Interview with Vladimir Ivanovich Shcherbakov, USSR first deputy prime minister, by Valeriy Kiosa, at the "Ministry of Economics and Prognoses" in Moscow on 22 July; from the "Mayak Panorama" program—live]

[Excerpts] [Kiosa] Good morning to all those listening to Mayak. We are continuing our live dialogue with Vladimir Ivanovich Shcherbakov at his location in the very center of Moscow, at the Ministry of Economics and Prognoses [ministerstvo ekonomiki i prognozov], where we are now. As we promised during our previous meeting on 12 July;, our conversation today will be completely devoted to the results of the London meeting of the country's president with the G-7 leaders. Vladimir Ivanovich was a direct participant in almost all the London negotiations. Vladimir Ivanovich, let's return to London.

[Shcherbakov] Yes. Good morning, radio listeners. [passage omitted] My personal expectations have been exceeded by the results. [passage omitted] On the whole, I think that the trip was very positive.

[Kiosa] Looking at the television coverage, everything was fine, all handshakes and smiles. What was the atmosphere at the talks themselves? What was the tension level, looking at it from within, from your viewpoint as one of the participants?

[Shcherbakov] There were several major trends. The Europeans—to a greater extent Kohl, Mitterrand, Delors, and Lubbers—supported us very energetically. One could also fully include Italy's Andreotti.

As for the Americans, our relations with them were rather more restrained, although still very friendly. Japan displayed quite a tough attitude, because they have some difficult internal friction of their own, there was a need to heed and pay attention to these issues. The whole time there was a group of so-called sherpas working in parallel—people who were helping prepare the decisions of their leaders. For instance, there was a group at my level or a little lower, according to job designation. There were some very complicated conversations. That is where, perhaps, the most difficult part of practical aspects was discussed. The presidents were getting condensed information, while the hard work was being done in the groups. For that reason, Sergey Primakov and I had quite a lot to handle.

Now, I do not want to hand out compliments, but objectively speaking the way the president worked was that we used to leave him at about 0200, leaving him to continue preparing for the morning meetings. At 0700 or 0730, we would set out for those morning meetings. In other words, he, too, had only about four hours' sleep. It was a great strain, but in my opinion it was all worth it.

[Kiosa] As you think back to what was being said before the meeting—and afterwards, for that matter—here in our country especially, you can recall that one thing forever being said, or at any rate very frequently, is that neither the economic reforms under way here nor the programs that have been drawn up are radical enough. Was any mention made of this at the talks? Was mention made of the degree to which our steps are radical, or of the fact that we are perhaps not being sufficiently resolute and do not want to be?

[Shcherbakov] There was quite a lot of media criticism. As I understand it, a special attack was mounted in all the British newspapers in the runup to the USSR president's arrival. The theme was taken up at more or less the same time and plugging the line that the program is not sufficiently radical. This subsided quite quickly. When we explained it and showed it to people, then the criticism was dropped quite quickly. At the summit level—at the level of prime ministers and presidents, and at the level of finance ministers, who worked separately the whole time—not once did the issue arise. The Germans and French even warned us earnestly not to be in any hurry.

[Kiosa] They actually said not to hurry?

[Shcherbakov] Yes. Particularly the Germans, because they have been through the profound issues of the transitional period in eastern Germany. They were able to tell us a lot. They told us they would come specially with all the economics ministers to look at the processes going on.

Basically, no one expressed any doubts to the effect that the degree of radicalism should be further increased.

[Kiosa] Nonetheless, the results of this meeting have also been assessed as being a disappointment. Such commentaries are appearing in which it is said that instead of specific, weighty aid, there will be visits and technical

assistance. Since we have broached the subject of the results, what do the six points of the London accord mean for us?

[Shcherbakov] I want to say once more that some assessments are simply ridiculous. No one went to offer some grand bargain to the West, such as the sale of our national treasures for their dollars. It is simply laughable to put it like this. It is a case of us wanting to switch to a market economy. We need this, and other countries are prepared to provide us with help. What kind of help? They will provide personnel training and reveal secrets of how this or that subsystem functions, how a person is protected in a market economy, how this interim period should be organized, and in regard to helping our banking system, our currency system. These are all very serious, very complex things. All of this is what is called technical assistance, including monetary aid for reconstruction of the economy. But that is the second part.

[Kiosa] You know my next question. What is associated membership in the International Monetary Fund and the World Bank? How can this be understood?

[Shcherbakov] Well, at present no one has this status, so it is quite hard to talk about it in reality. [passage omitted on opinion prevailing before the meeting; finance ministers' meeting where it was said that associated membership differs from full membership only in the absence of a vote at the board and the absence of contributions to these organizations] I do not think that all the doors to these organizations will immediately be opened to us. On the other hand, it is also no good our standing on the porch of this house, so to speak. We will progress somewhat, and I hope quite far. [passage omitted] Everything that we proposed in the general sense went in, including such matters as stabilization of macro-economic indicators, stabilization of the country's balance of payments, and convertible currency. All this was discussed.

[Kiosa] You have always said that the joint anticrisis program that is now in operation and has begun to be implemented is open to change toward faster and more radical actions. So, to what extent can or will the London accords influence this program?

[Shcherbakov] I hope that the program will simply proceed at a quicker pace, because we managed to reach some kind of agreement on major matters of principle to the effect that reciprocal steps will be taken. On the size, scale, and form of aid, there has to be further work to clarify these. It was stated in the decisions of the seven that the finance ministers and ministers responsible for small business are to come to Moscow. For example, Norman Lamont, the British chancellor of the Exchequer will be coordinating the actions of the finance ministers until the new year. He is due to come here literally in the next few days, before the month is out. We are to discuss thoroughly the form and size, including....

[Kiosa, interrupting] In other words, he will be discussing figures and possible specific areas.

[Shcherbakov] Of course.

[Kiosa] Well, since you have come down to specifics, we have always said that in order to achieve ruble convertibility, we need a kind of foreign currency stabilization fund so that everyone can buy this currency. Will this be discussed?

[Shcherbakov] Of course. All the countries recognize the fairness of this point. They all understand that a fund for the stabilization of the ruble in this sense is not only necessary for us, but is also, to a large extent, necessary for Western companies that want to work with us, because otherwise they simply have no physical way of re-exporting their profits. Since the interest is mutual, I think we will find a proper and good solution here. [passage omitted]

As I see it, the situation will develop this way: first, all the finance ministers are to come here in turn. That will take up approximately August and September. Each one wants to investigate things separately, on a bilateral basis, in order to agree on the scale and size of cooperation and the forms of this cooperation. In addition, we have already applied to the IMF and World Bank. We have been promised that this matter will be examined within a week and a half to two weeks. I hope that the decision will be positive, since I would say that the matter has been virtually decided. Only technical matters may arise. Then, probably in October, it will be more or less clear on what scale the seven will be able to help us. [passage omitted]

[Kiosa] Surely it is not the case that no problems at all remain?

[Shcherbakov] No, not by a long shot. The London meeting was indeed an event of the greatest importance, because it allowed the political knots that have persisted for many years—perhaps 70, or if not 70, then at least throughout the postwar years—to be unravelled. These knots have been getting tighter and tighter. This was the 17th meeting to the G-7, and it required enormous effort on the part of all sides to unravel the political knots. However, not all of them have been undone. Of course, there are some that have been loosened, but not yet unravelled. It is quite simply impossible to unravel the economic knots without the political ones. In fact, the economic talks achieved success only after it became clear that there would indeed be political accord and that political support would indeed be forthcoming from every country. Only then was it possible to speak of economic topics and to seek a common way out and mutually acceptable ways of meeting one another halfway. But that would have been totally impossible without the political solutions. For this reason, I do not feel you should underestimate this meeting. On the other hand, you should not overestimate it. Nobody thinks that pounds Sterling will rain down on us after London, or that there will be a snowstorm of pounds. That would

be ridiculous. But progress has been made—quite substantial progress. Now, I believe, we must prove ourselves able to take advantage of it.

[Kiosa] In other words, we must approach matters realistically and avoid excesses.

[Shcherbakov] Now a final question: Much now depends on what happens here in our country. The West has sent us a very clear signal that everything, or nearly everything, depends on the situation in the country. What does the government intend to do in that sense here, in the USSR? We have lots of problems.

[Shcherbakov] There are, I believe, three or four central issues that we have to tackle rapidly. The first concerns the relationship between the center and the republics. Everyone is tired of this confrontation. The main thing is that it will bring us no benefit whatever. We need to agree as quickly as possible. The way I see it, [changes thought] you know, there is to be a meeting at Novo-Ogarevo tomorrow, at which another step will presumably be taken. The previous meetings have taken place in a very constructive spirit. Given this spirit, I hope agreement will be reached rapidly.

The second central issue is how to improve our financial situation. The fact is that there is a readiness to render us assistance and a readiness to cooperate with us, but only a madman would give money to someone who just squanders it. Unless we put an end to what is going on in this country and put a stop to the rate of inflation we have today, then nobody will cooperate with us. It would be ridiculous for an engineer to invest his money in something that loses its value before his very eyes.

The third issue is the issue of mobilizing the industries that are vital to the people. Nobody is in a position to feed a country like ours with its 300 million people. Either we do it ourselves or else we must realize that nobody can dole out charity on such a scale.

[Kiosa] Well, Vladimir Ivanovich Shcherbakov, thank you for taking part in our live broadcast. Goodbye and all the best.

'Clearing' First 'Barrier'

OW2207151291 Moscow INTERFAX in English 1500 GMT 19 Jul 91

[Transmitted via KYODO]

[Text] Soviet Deputy-Premier Vladimir Shcherbakov evaluates the results of Mikhail Gorbachev's talks with the great seven in London as a major political and economic breakthrough. In Thursday's interview with the INTERFAX correspondent Renat Abdullin in London he described it as "clearing the first high barrier on the way towards our integrating into global economic links".

He refuted the opinion of some observers who see the 7 + 1 meeting as failure since the Soviet Union has obtained no credits.

Shcherbakov found two extremes prior to Mikhail Gorbachev's visit to London: one was to offer "the big deal" to the West in exchange for ideological surrender, selling our system, so to say, for money. The other extreme was relying on charity, expecting 20-30 billion rubles just for nothing.

The main achievement in London, as Shcherbakov sees it, is the agreement on cooperation on the political level permitting professionals to conduct talks. It's not by chance the decision has been taken for all the seven finance ministers to visit the Soviet Union. The British Chancellor of the Exchequer Norman Lemon is to arrive in Moscow later this month.

Commenting on concrete forms of cooperation with the great seven Vladimir Shcherbakov said that of particular interest is now our progress in privatisation, in developing small enterprises, in building market infrastructure, in restoring our export potential, above all in energy. No cooperation has any prospect without putting the country's balance of payments in order. No private capital can be lured in conditions of hyperinflation.

It has turned out that we owe to the West nearly 50 billion dollars just because the state can't guarantee the foreign exchange payments on transactions. This is a huge amount that puts some Western companies on the verge of bankruptcy.

"So, the central point of any talks in that we have to put our economy in order—no political negotiations are practical without that".

Vladimir Shcherbakov confirmed the recent statement by the Soviet Prime Minister Valentin Pavlov that an economic recession has been curbed. "I would say this is a shaky balance, like thin ice on the river that can break at any step."

On the convertibility of the ruble Shcherbakov urged it as soon as possible. "We intend to introduce internal convertibility at the earliest date to have a breath of air. That's going to be painful. We hope to have it by next year. All the republics accept that".

Assessing once again the results of the 7 + 1 meeting he stressed we would like to speed up Soviet entry into the IMF and the World Bank. It's not quite clear what is the special status of an associated member mentioned by the British Prime Minister John Major at the joint press-conference with Mikhail Gorbachev. But in the course of the meeting, said Shcherbakov, it became somewhat clearer. A country is nearly a full member, but without a share and a vote. It can enjoy, though, the principle advantages of those organisations. If we succeed in that, it will be a unique feat.

The results of the meeting are positive, concluded Vladimir Shcherbakov, they exceed all our practical

expectations. We have made some progress, as our partners also find. One of the seven leaders told me privately, he divulged, that they exceed their expectations too. They'd hoped for less. This is a triumph for all.

G-7 'First Stage' in Inclusion in World Economy

PM2307081591 Moscow IZVESTIYA in Russian 22 Jul 91 Union Edition p 1

[By Stanislav Kondrashov: "'Seven Plus One'—Group Portrait in the Context of History"]

[Text] More than enough has been written and said about the London meeting between the Group of Seven and the USSR president. But it seems that the group photograph of the eight, when viewed in historical context, penetrates deeper into the heart of the matter than any words. What an unusual photo! We have seen many photographs of Mikhail Gorbachev with each of the seven individually, but...together!?

There were other photographs—three, even two years ago—with other leaders of other former socialist countries, each of whom left the stage one after another. In this sense, these other photographs also portrayed another model of the universe, which has also departed this life. Our country and our leaders used to put themselves into the center of celebratory photographs, indeed of the universe itself, as if according to the ancient Ptolemaic System whereby the Earth—our Earth—stood on the three axes of Marxism-Leninism and everything else, including the capitalist world which was marching inexorably toward decline, revolved around it.

Last Monday, the seven posed on the steps of Lancaster House—the pillars of the far from floundering capitalist system. On Wednesday, on the same steps, one more person was added who is neither a participant nor a pillar, but a respected guest who will probably be invited in the future (next conference site—Munich, July 1992). He will be a respected guest and new partner without the socialist camp or socialist community.

"One and seven" in the hope of "seven plus one," which would signify the first stage in the inclusion in the world economy. The new model of the universe based, thus, on Copernicus forces us to revolve according to world laws of the market economy, and the strict laws of regulated, though not always, competition which one way or another also presupposes an appropriate system of parliamentary democracy.

Thus, London gave us photographic evidence of what is a change in the model of the universe—nothing more, nothing less. It gave us evidence of the transfer from a utopian realm which offered a worthless life, to a world of pragmatic realities called civilization, which, as proved by the example of others, promises a more propitious lifestyle for the majority but also the legalization of poverty. The Soviet Union, like the federation and the republics which it includes, would like to be included in the world economy. Each of its citizens will also have to change the model of the universe by getting involved in the market economy. Each individual citizen is traveling along the same road as the state.

Before including the Soviet Union in the world economy where they are the masters, the Group of Seven leaders laid down the condition that each of us, and above all our state institutions, must embrace the market economy more resolutely.

Even before the actual meeting in London, a section of the Soviet press—out of sensationalism and a stubborn refusal to recognize the obvious—concentrated its arguments around one question: Will they or won't they give us tens and hundreds of billions of "greenbacks"? This was a distortion of the true criterion for measuring the success of a new and vital beginning, which was supported by the "nine plus one" conference in the Moscow suburbs before its departure to the banks of the Thames. The president tried to dismiss these ridiculous arguments, announcing that success could be seen in the very fact of his being invited to the Group of Seven meeting. All the nuances surrounding their position forced the G-7 to define the bounds of possibility beforehand: Gorbachev will not receive a "blank check," but neither will he go away empty handed.

The result emerged from within these realistic boundaries. The British prime minister announced that "everyone has agreed to work together in order to assist the Soviet Union's integration into the world economy." The result is that a practical mechanism for assistance and cooperation—or contraflow traffic, as our side prefers to call it—is being set up.

Six points were declared, signifying the beginning of mutual cooperation and the continued reconstruction of the region: So how will the matter progress further? The Group of Seven still retains the option, and the threat, of withdrawal and by the same token could pressure the Soviet Union into more radical reform. The six points include our associate membership—that is, without access to the coffers—of the International Monetary Fund and the World Bank, and technical aid from the new European Bank for Reconstruction and Development, priority assistance in such fields as conversion, transport, energy, and a system for distributing products. The Group of Seven finance ministers will visit Moscow in the near future in order to conduct a more in-depth on-site study of the situation. John Major will also pay us a visit this year with the same aim, and then Helmut Kohl will follow suit by way of preparation for the meeting in Munich.

Our partners, in true market practice, are particularly ready to help in areas where it will be most beneficial for them, for example the development of the fuel and raw material complex. The coincidence of interest here is evident—after all, it is precisely thus that we will get hard currency. The Group of Seven countries will also profit from working the difficult but truly auriferous

vein of converting the Soviet military industry, where advanced technology and the best scientific and technical minds are waiting to be applied in the production of peaceful products. Apart from economic considerations, the West has an interest in conversion for military and political considerations too. Demands for a more speedy and radical reduction in Soviet military expenditure will be heard more insistently. With the change in the model of the universe, the Soviet Union has lost its function of global resistance against the West, which was hyped to the utmost in postwar decades, ravaging the country and ultimately bringing it to today's shameful situation. In London, Gorbachev and Bush eliminated the remaining differences of opinion in the treaty on strategic offensive arms, opening the way for the U.S. President to visit Moscow at the end of July. Nuclear arms are being reduced by 30 percent. The lengthy negotiating work of the last 10 years finished favorably. However, in London this historical feat seemed to fade into the background of a new and gigantic task and, we hope, a new historical breakthrough.

By changing the model of the universe, we reduce the role of the military in our society. For them, the task of adapting psychologically is even more difficult than for the civilian population and this must not be ignored as even in the new conditions the Armed Forces will maintain the role of defenders of our country's security and an extremely important buttress of statehood.

The group portrait on the steps of Lancaster House will have a complex effect on the political battles going on in the Soviet Union. In the time between the Group of Seven and Gorbachev's reception of Bush in Moscow, it seems, some not necessarily triumphant moments lie ahead at the CPSU Central Committee Plenum. For the orthodox and fundamentalist, the flight to London looks like a march to Canossa. After receiving a mandate from the "nine" in Novo-Ogarevo, it is obvious that the president will nevertheless have to give account of himself once again at this authoritative forum too. History moves at its own pace and will not be rushed. But there is no escaping one fundamental fact: Decisive questions about integration into the world economy were raised by the Soviet Union when it faced the question of its own life or death: To be or not to be? And if to be, then what form and what content?

Speaking at a breakfast given in his honor by the British prime minister, Mikhail Gorbachev noted: "Politics, unfortunately, does not take a vacation." He knows this better than most.

USSR Becomes Member of Intelsat Consortium

PM2307091991 Moscow PRAVDA in Russian 20 Jul 91 Second Edition p 5

[PRAVDA-TASS report: "Intelsat-USSR"]

[Text] 19 Jul—The Soviet Union has become the 121st member and co-owner of the International Telecommunications Satellite Organization (Intelsat). A ceremony to mark the signing of the relevant agreement has been held at the U.S. State Department. Intelsat, whose headquarters is in Washington, is an international commercial but nonprofit cooperative whose member states own and utilize a global satellite communications system for their international and domestic needs. The Soviet side's initial contribution is 0.05 percent of the total budget.

Results of European Bank Conference Assessed

91UF0994A Moscow IZVESTIYA in Russian 17 Jul 91 Union Edition p 5

[By M. Berger: "Will Foreign Countries Help Us?"]

[Text] London—**On the eve of the Group of Seven meeting, the European Bank for Reconstruction and Development held an international conference with the participation of most authoritative economists. A special session was devoted to the problems of the Soviet Union.**

This first of its kind and by its scope event of the European Bank was attended by 150 economists from many countries, experts from the European Community Commission and other international financial and economic organizations, and representatives of government organizations. Among conference participants were Nobel Prize winner Kenneth Arrow from the United States; Janos Kornai from Hungary—a recognized specialist on socialist economies; Anders Aslund from Sweden—director of the Institute of Soviet and Eastern European Economy; and the coauthors of the joint Soviet-American "Grand Bargain" [Soglasiye Na Shans] program Graham Allison and Stanley Fischer.

From our side, the conference participants included Academicians L. Abalkin, A. Aganbegyan, and S. Sitaryan, and noted economists Ye. Gaydar, Ye. Yasin, and V. Mashits.

The main question that kept coming up in different variations, both during the official discussion and in the back rooms of the conference, could be formulated this way: What is M. Gorbachev bringing to London, what will he tell the Group of Seven leaders that is new, and how will the West react to it?

At the very same time when the international assembly of experts was making guesses in regard to the contents of the proposal, members of the USSR president's team (probably already familiar with the contents of the proposal) had already arrived at London and were trying to figure out from the course of the discussion the Group of Seven's potential reaction to the Soviet proposal.

How can developed countries in principle reply to M. Gorbachev's proposal? The London OBSERVER speculated that the most likely outcome of the meeting would be the institutionalization of the cooperation, that is, the formation of some sort of an organizational mechanism for interaction. Not very optimistic in terms of prospects for financial support, but realistic. It should be kept in mind that the world does not have all that much free

money that can be counted on even with the most favorable outcome of the events.

At the conference experts from Japan distributed the data about the availability of free capital in the world and the potential demand for it. Japan has most of the "theoretically free money"—$50 billion; Germany has $10 billion, and all other developed countries combined have another $30 billion. There is also free capital in the developing countries. Thailand has as much as Germany—$10 billion; Venezuela has $7 billion, the United Arab Emirates $5 billion, and other countries in this group have another $8 billion. All international organizations can mobilize $20 billion. The total comes to $140 billion. Not a breathtaking amount for the entire world, but still a lot, of course.

The side of the balance sheet that shows demand for the capital looks much more impressive, however. The United States needs $70 billion, and other developed countries, $120 billion. Thus, for rich countries alone the gap between the potential and the demand comes to $100 billion. In addition, there are such major contenders for capital as Asian, Latin American, and Near Eastern countries that need about $60 billion. The needs of the USSR, together with other East European countries, are set at $20 billion. Not much in comparison with the figures being mentioned in our country in terms of expectations and needs, but, one would think, realistic and professional.

Even if we assume that there is free capital somewhere that had not been counted by those who had put together this table—they themselves estimate this possibility at $110 billion—the world deficit of capital still remains at $30 billion.

These are very useful data for a sober appraisal of the situation, or for at least determining the technical limits of potentially rising illusions.

"The main disadvantage of the joint Soviet-American program is that it gives rise to illusions," Ye. Gaydar, director of the Institute for Economic Policy, noted in his presentation. "The program contains many correct and sensible ideas, but the public opinion," he said, "does not go deeply into the mechanism of the synchronization of the East-West efforts; even less does it delve into the harsh measures that are necessary in order to use the aid effectively. People simply think about the $100 billion that the foreigners will give us and that needs to be properly divided."

Former chief economist of the World Bank S. Fischer, who had participated in the development of the Soviet-American program, defended it. It is not a matter of giving the money in exchange for promises. The aid, including financial, will be rendered (if it is rendered) for specific processes and programs. Also, S. Fischer reminded, there is no known case of implementing similar reforms after World War II without the major involvement of Western capital—whether we talk about Japan, Germany, or Korea.

Quite a lot has been said about our reform plans in general. The interest in them was far from academic. Their quality and credibility are a very serious argument in the conversation about a potential character and the scope of aid. D. Nuti, an expert from the European Community Commission, counted nine programs that had been unveiled in our country during the last 18 months alone. All of them basically remained on paper. The advantage of the Soviet-American plan, which is now designed to take not 500, but 2,376 days, is that it puts the issue in a different dimension, said D. Nuti. The issue here is not what it will cost the West to help the USSR, but why and on what terms it will be profitable to the West.

However, Program No. 9, noted the discussion participants, is not an official document reflecting the intentions of the Soviet Government. What is known as the official government program has not brought out the enthusiasm—to put it mildly—on the part of scientists and specialists, and none of the conference participants found a kind word for it. Thus, the hope is for what still remains an unknown—M. Gorbachev's proposal.

Academician L. Abalkin did point out, however, the passage in the European Bank report on the USSR which says quite correctly, in his opinion, that the lack of progress in the reforms is due not to the shortcomings of the programs but to the fact that they are not being carried out. We should not count, said the academician, on M. Gorbachev bringing a program that will solve everything. Just as we should not assume that Western aid will accomplish the reform. This is only one specific part; the bulk of the work we should do ourselves.

Is the Soviet Union ready, and is it capable of carrying out radical market reforms? In discussing this question, many were leaning towards the point of view that everything that has been done so far were only attempts to improve the old system rather than to create a new one. The latest government program also preserves the administrative economy, which, in A. Aslund's opinion, may cause the Soviet Union to lose the last opportunity of receiving Western aid.

Especially sharp words came from J. Kornai, who believes that it is impossible to do what is necessary for the economy in the existing political conditions. I do not believe, said J. Kornai, in the possibility of transition from socialism to capitalism under the leadership of the Communist Party. We can count on a coalition with the participation of all political forces, added the Hungarian economist, but it would be strange to hope that the Communist Party will give up its leading role on its own.

An enviable unanimity emerged in the assessment of the situation in the USSR. Critical, on a verge of a catastrophe—these were probably the mildest definitions. Even a figure emerged—12 months; this is how long, in the opinion of a number of experts, the USSR has to solve its problems. Although in discussing the problems of Eastern Europe many were urging not to rush events but to move gradually, when it comes to the Soviet Union, fast acting medicines are needed in at least a number of directions. They must be identified and subjected to "shock therapy" in combination with careful actions in those areas where it is necessary.

The discussion kept coming back, in a variety of contexts, to the issue of financial and other (also not free) aid. There are many applicants for aid who are ready to comply with the terms attached to such situations (market reforms, democratization, cuts in military expenditures, etc.). Their needs exceed by far the capacities of the world community. Therefore, the issue of aid moves from the technical area (the availability of capital or the lack thereof) into a political one: to whom to give preference?

One may decide, of course, that everything said by the conference participants is their own personal business. It would be wrong to assume, however, that the discussion organized by the European bank on the eve of the Group of Seven meeting will have no influence on the results of this meeting.

United States & Canada

Joint Chiefs of Staff Chairman Powell Visits

Addresses Newsmen

LD2207182691 Moscow Central Television Vostok Program and Orbita Networks in Russian 1530 GMT 22 Jul 91

[From the "Vremya" newscast]

[Text] General Powell, chairman of the U.S. Armed Forces Joint Chiefs of Staff Committee, today arrived in Moscow on an official visit.

The new character of Soviet-U.S. relations is probably demonstrated most clearly of all by the changed view of each other on the part of our armies and generals. From the dumb hostility and suspicion of the times of the cold war, we have arrived at today's intensive ties and contacts, including those at the highest levels of generals. Colin Powell, America's top general, today arrived in the USSR, at the invitation of Army General Moiseyev, and in reply to the latter's visit to the United States.

Straight after his arrival, Gen Powell gave a short briefing for Soviet and foreign journalists.

[Begin Powell recording in English with superimposed Russian translation] This is my first visit here since the Moscow summit meeting in 1988, when we signed documents ratifying the treaty on the elimination of medium and shorter-range missiles. In the years that have passed, these two classes of missiles have been totally destroyed. We have also concluded a treaty on reductions of conventional weapons. Coming now is the treaty on strategic offensive weapons. All this goes to show what we can achieve when we work together. My meetings and talks here come in the run-up to the visit of U.S. President Bush to Moscow next week. I am confident that the fresh meeting between the presidents of the great powers will be a historic one. [end recording]

Replying to a question from your Vremya correspondent on the possibilities for closer ties between the armies of the two countries, General Powell said in particular: Meetings and talks between military men of the two countries are now taking place on a regular basis. In the past two months, for example, I have already had three meetings with General Moiseyev. The more our generals meet and argue things, the better they understand each other, as soldiers dedicated to their main task—ensuring the security of their countries and of world peace.

Begins Talks With Moiseyev

LD2207152591 Moscow TASS in English 1431 GMT 22 Jul 91

[By diplomatic correspondents Oleg Moskovskiy and Vasiliy Titov]

[Text] Moscow July 22 TASS—In an introductory speech at Soviet-U.S. talks on military and political matters, that began here today, General of the Army Mikhail Moiseyev, chief of the Soviet Armed Forces' General Staff, described meetings between the top brass of the Soviet Union and the United States as highly useful for broadening and strengthening bilateral relations.

The talks are being held within the framework of the official visit to the Soviet Union by General Colin Powell, chairman of the U.S. Joint Chiefs of Staff.

During the talks the two sides intend to discuss a wide range of matters covering European and regional security issues, the course of the disarmament process and prospects for the development of the Soviet Armed Forces.

The two sides will also coordinate a programme for working meetings between experts of the U.S. Joint Chiefs of Staff and the General Staff of the Soviet Armed Forces.

At the close of the talks Colin Powell is to meet Soviet Defence Minister Dmitriy Yazov and will have a talk in the evening with Foreign Minister Aleksandr Bessmertnykh at the Soviet Foreign Ministry.

Talks With Yazov

OW2307034191 Moscow INTERFAX in English 1830 GMT 22 Jul 91

["Diplomatic Panorama" report by diplomatic correspondents Mikhail Mayorov and Igor Porshnev; transmitted via KYODO]

[Text] The Chairman of the U.S. Joint Chiefs of Staff Committee general Powell is holding talks in Moscow with Soviet defence ministry officials as part of bilateral military contacts. The visit is unrelated to the forthcoming superpower summit in Moscow later this month, sources close to the Soviet Chief of Staff said on Monday. It comes in return of a recent visit to the United States by general Powell's Soviet counterpart, general Moiseyev and is part of regular exchanges between the Soviet and U.S. armed forces, including defence ministers, warships and delegations by military academies.

General Powell had a brief meeting with the Soviet defence minister, Marshal Yazov following talks with general Moiseyev and is most likely to see Mr. Gorbachev later in the day. The general's itinerary compiled on his own wish includes visits to Irkutsk, Khabarovsk and Vladivostok where he will meet with the Soviet military.

More on Meeting With Yazov, Moiseyev

LD2207195291 Moscow Central Television First Program Network in russian 1800 GMT 22 Jul 91

[from the "Vremya" newscast]

[Text] General Powell met with USSR Minister of Defense Marshal of the Soviet Union Yazov today. In the course of the conversation specific features of the military and political situation in the world and ways of further development of cooperation between the two countries in the military sphere were discussed.

The same questions were tackled in the course of today's talks between General Powell and Army General Moiseyev. The program of working meetings between the experts of the Joint Chiefs of Staff of the U.S. Armed Forces and the General Staff of the Soviet Armed Forces was agreed upon.

Talks With Bessmertnykh

LD2207205291 Moscow TASS International Service in Russian 2005 GMT 22 Jul 91

[Text] Moscow, 22 July (TASS)—Aleksandr Bessmertnykh, USSR minister of foreign affairs, received General Colin Powell, chairman of the U.S. Joint Chiefs of Staff, today. During the conversation topical issues of Soviet-U.S. relations—primarily related to the process of limiting armaments—were discussed.

It was noted with satisfaction that the path to signing a treaty on reducing strategic offensive weapons at the forthcoming summit in Moscow has been definitively cleared. Both sides stressed that signing the treaty on strategic offensive weapons will open up prospects for further deepening the Soviet-U.S. dialogue on the problems of disarmament, including attaining agreements on subsequent results.

During the conversation the great importance of Soviet-U.S. contacts along the military line, which have markedly intensified and acquired a new quality of late, was noted. Such contacts are now making a useful contribution not only to strengthening confidence between the two countries in the military sphere but also directly to the process of developing agreements on limiting and reducing armaments.

Talks With Gorbachev

LD2307094891 Moscow Central Television First Program Network in Russian 0900 GMT 23 Jul 91

[From the "Television News Service" program]

[Text] As we have already reported, General Colin Powell, chairman of the Joint Chiefs of Staff of the U.S. Armed Forces, is in Moscow on an official visit. Following fruitful meetings with the country's top military leadership, half an hour ago he met the Soviet president. In the opinion of foreign observers, the general is checking out the situation prior to the forthcoming Soviet-U.S. summit to be held next week. [video shows Powell and spouse disembarking from aircraft on arrival, Moiseyev kissing Mrs. Powell's hand, Powell having photo taken with Yazov, Soviet and U.S. delegations seated for talks]

Bessmertnykh Meets Matlock To Prepare Bush Visit

LD2207125391 Moscow TASS International Service in Russian 1211 GMT 22 Jul 91

[Text] Moscow, 22 Jul (TASS)—USSR Foreign Minister Aleksandr Bessmertnykh received U.S. Ambassador Jack Matlock today. During the conversation a number of matters were discussed peraining to preparations for the visit by U.S. President George Bush to the USSR at the end of July to the beginning of August.

Strauss To Oppose Large-Scale Aid to USSR

OW2207051791 Moscow BALTFAX in English 1230 GMT 19 Jul 91

[Transmitted via KYODO]

[Text] Correspondent of the newspaper "DIENA" Raitis Eglitis reports from Washington that speaking in the American Senate Thursday, the new U.S. Ambassador to the USSR Robert Strauss said he was against giving large-scale aid to the Soviet Union.

Mr. Strauss assured that he would be an "active ambassador" and said he intends to establish contacts with leaders of the Baltic states.

Mr. Strauss pointed out that he would oppose the "policy of intimidation of the Baltics and Soviet support of the Castro regime in Cuba."

Canada Frees Credit, Announces Aid Program

LD2007200291 Moscow All-Union Radio First Program Radio-1 Network in Russian 1600 GMT 20 Jul 91

[Text] The prime minister of Canada, during his stay in London, was among the first to announce the allocation of funds for financing government programs aimed at assisting our economy. What specifically is meant by this? Here is our correspondent in Ottawa, Vadim Fokin.

[Fokin] The programs including setting up retraining courses for Soviet workers and specialists, opening centers where farming and organizing Canadian-style agriculture will be taught. Canada will give assistance in vegetable processing and the dairy industry. The money allocated by Ottawa will be used to open centers for helping Chernobyl victims, especially children. It has been announced that Canada is unfreezing the 150 million [currency not specified] credit given to the Soviet Union to purchase grain and foodstuffs, but was later frozen after the tragic events in the Baltics.

The setting up of a new Soviet-Canadian-British joint venture was also announced. This involves developing oil deposits in the Soviet North. From our side, Komineft is taking part. On the Canadian side, a Calgary firm, (Gals) energy resources, is participating. They ventured to invest $250 million into the project. The first batch of Canadian equipment is already on its way to the Soviet Union. Canadian oil workers and experts will follow.

So, this is a specific example of what was being talked about in London: Mutually beneficial cooperation which can become the norm in our business links with the West. However, only provided we are going to make perestroyka and economic reforms work, above all, with our own hands, and not with the hands and dollars from the West. In business, not just the strong, but also the independent, are respected.

China

Soviet Ambassador on Border Talks With China

OW2007200291 Moscow Radio Moscow in Mandarin 2200 GMT 19 Jul 91

[From the "Current Events and Commentaries" program]

[Text] The fourth round of Soviet-Chinese talks on border disarmament and on strengthening military trust in border areas concluded in Beijing. The two sides discussed in detail a series of agreements on border disarmament and trust measures in the future. In an interview with Moscow Radio reporter Glebov, Soviet Ambassador Kireyez, who was the head of the Soviet delegation, gave a detailed account of the contents and nature of the fourth round of the talks.

[Kireyev is briefly heard, speaking in Russian, fading out after a few seconds] Kireyev said: In the course of the talks held in Beijing, the two sides exchanged opinions about what categories of armed services should be reduced. This question involved the army, navy, air force, and border defense troops. The two sides also touched on the questions of what kinds of weaponry and armament should be reduced as well as the time limit for the reduction process. The geographic question was discussed most meticulously and thoroughly; in other words, to which regions along the Soviet-Chinese border the agreement should apply and in which geographic areas direct disarmament should take place. This is a solemn and sensitive question. Both sides agreed that this question must be solved.

Kireyev, head of the Soviet delegation for the talks, pointed out: Also discussed were some relatively less complicated questions. These are questions concerned what measures the two sides should adopt to supervise and examine the disarmament process; the proposal that the future treaty be drawn up in the form of a legal treaty, and effective measures to strengthen military trust, or in other words, agreements to be reached between the two sides on such matters as the scale of military exercises held in border areas, the number of personnel used in the exercises, the geographic scope and the period of the exercises, the exchange of information about the exercises, and the invitation of observers from each other's sides. These were the wide-ranging questions discussed at the fourth talks in Beijing.

[Kireyev again heard briefly, speaking in Russian, fading out after a few seconds] Kireyev said: The talks on these kinds of questions between the Soviet Union and China were unprecedented in the past. I say this not only because this is the first time that our two countries have conducted talks on such extremely complicated and sensitive questions, but also because the mechanism we have established for the talks is worth studying and using for reference by other countries. I would not say that our talks may become an example and model for other countries. While any country or countries will, no doubt, find their own form for talks, the talks between our two countries to discuss the above-mentioned questions were the first of its kind in the Asia-Pacific region.

Kireyev pointed out: Up to now, we have had no experience to speak of. Another thing to which I would invite your attention is that in the course of the talks, the two sides were not [words indistinct], but made ceaseless efforts to strengthen trust, trying to make their stands close to each other and always expressing a desire to seek compromising plans. This was the spirit displayed during the recent talks. Perhaps certain methods used for the talks may evoke the attention of Asia-Pacific countries. Finally, I wish to express the hope that these talks will enable the Soviet Union and China to achieve practical results and will promote similar talks between other countries in the Asia-Pacific region concerning major questions on regional security.

Government Signs Science Accord With PRC

OW2107184891 Moscow Radio Moscow in Mandarin 1000 GMT 20 Jul 91

[From the "Along the Road of Friendship and Cooperation" Program]

[Text] A PRC State Science and Technology Commission led by Li Xue, first vice minister in charge of the commission, visited the Soviet Union for 10 days. The delegation participated in the fifth meeting of the Standing Subcommittee of Scientific and Technological Cooperation under the Soviet-Chinese Committee for Economic, Trade, and Scientific and Technological Cooperation. It visited scientific product companies in Moscow, Leningrad, Kiev, and Minsk as planned, and found out about the Soviet Union's scientific achievements in various fields. During its visit, the delegation held discussions on efforts to further develop scientific and technological cooperation between the Soviet Union and China and directions for such efforts.

At a ceremony to sign documents regarding the outcome of the fifth meeting of the Standing Subcommittee of Science and Technological Cooperation, station reporter (Angelikov), who covered the event, said: During the meeting, the two sides pointed out that since the previous meeting, major events occurred in the promotion of scientific, technological, and economic ties between the peoples by the two countries. We must adapt to new situations in our efforts to open the economic sector, carry out market transition, implement reform in the management of scientific and technological progress, and combine science and technology with the economy.

In 1990 and 1991, practical steps were earnestly taken to improve scientific and technological ties and to narrow the gap between the economic and trade efficiency of the two countries. Practical steps were also earnestly taken to jointly utilize Soviet military technology used in civilian production in an effort to switch the ordnance industry to civilian production.

The Soviet Union and China said that the steps enabled the two sides to apply modern advanced techniques to the production of competitive goods in the world market. Scientific organizations of the two countries began to implement agreements on shipbuilding, construction, farm machinery, power industry, aviation, space technology, nuclear energy, medical service, seismology, and mining. Speaking at the fifth meeting of the subcommittee, Li Xue, first vice minister in charge of China's State Science and Technology Commission, said: Scientific and technological cooperation between the two countries has greatly expanded recently. The resolution of the previous meeting has been implemented. We have entered a new phase—a phase of concrete cooperation between scientific organizations and factories in various localities and of direct contact between various Soviet republics and Chinese provinces. The meeting has led to the signing of a series of documents by the two sides.

Li Xue said: [Begin recording] One of the important tasks for me is to continue to advance our cooperation; in particular, we should focus on strengthening cooperation in converting our military industries to civilian production and in setting up advanced industrial development zones. I think that we will be successful in this. Thank you for your hospitality, we were very happy with our entire trip. We came to understand the situation in many areas, and achieved great results. We gained a profound understanding of the Soviet Union's powerful scientific and technological might. [end recording]

Pavlov Cables Condolences to Li Peng on Floods

LD1607103191 Moscow All-Union Radio Mayak Network in Russian 2030 GMT 15 Jul 91

[Text] USSR Prime Minister Pavlov has sent a telegram to PRC State Council Premier Li Peng. He expressed deep condolences to the PRC government and people in connection with the natural calamity—heavy floods, which have led to human casualities and serious damage.

Northeast Asia

Soviet Embassy in Japan Damaged by Truck

LD2207133291 Moscow TASS in English 1154 GMT 22 Jul 91

[By correspondent Vyacheslav Bantin]

[Text] Tokyo July 22 TASS—A heavy lorry running at full speed bumped the gates of the Soviet diplomatic mission in Tokyo today.

A Soviet Embassy official told TASS that none of the Soviet staff was injured. The building was slightly damaged. The Japanese police blocked the entrance to the embassy. Japanese special services have begun investigation of the incident.

Further on Attack

LD2207151691 Moscow TASS in English 1451 GMT 22 Jul 91

[By correspondent Vyacheslav Bantin]

[Text] Tokyo July 22 TASS—A heavy jeep running at full speed rammed into the gate of the Soviet Embassy here today.

None of the Soviet staff were hurt. The building was slightly damaged. The Japanese police blocked the entrance to the embassy.

Japanese special services have begun investigating the circumstances of the incident, trying to find out motives for attacking the embassy. By its designs the attack resembled a terrorist act.

Two people were involved in the attack on the Soviet Embassy, Sergey Mezentsev, the embassy's security officer, told TASS. Both terrorists were detained.

According to Japanese police, the two belong to the right-wing extremist organisation Taikosha.

During the attack, not far from the embassy, there was a bus with loudspeakers spewing anti-Soviet slogans.

One of the police guarding the embassy building was slightly injured.

Japan's Watanabe Holds News Conference

OW2307020991 Moscow INTERFAX in English 1100 GMT 22 Jul 91

["Diplomatic Panorama" report by diplomatic correspondents Mikhail Mayorov and Igor Porshnev; transmitted via KYODO]

[Text] There was the meeting between the Japanese Foreign Ministry General Director, Mr. Taizo Watanabe, and a group of Soviet Journalists, including a DP [Diplomatic Panorama] correspondent, in Moscow. The diplomat made a brief stop in the Soviet capital on his

way to Tokyo from London where he was in the Japanese delegation at the "economic summit". Evidently the main attention at the press-conference was paid to the results of the meeting of the leaders of the G-7 countries with the Soviet President Gorbachev.

The USSR-Japan: fields of cooperation

According to Mr. Watanabe, the Japanese Prime-Minister Toshiki Kaifu at the personal meeting with Mr. Gorbachev and at the G-7 meeting said that Japan supported the Soviet Union on its way to reforms. The concrete fields of possible cooperation were mentioned at the same time. They are the conversion of military industry and nature conservation. Besides the problem of Japanese assistance to the Soviet Union in the field of oil extraction and refining is under way at present. As far as changes in the Soviet Union concerned, information about its character and rate is quite small, according to Mr. Watanabe. Even the Soviet government could not produce the exhaustive information the Japanese require. So Tokyo intends to send a group of its experts of the USSR to work out the appropriate aid strategy and will take their recommendations into consideration.

The aid terms to the USSR

Japan will provide large-scale aid to the USSR on the three main terms:

The economic aspect: Tokyo is to have guarantees that the USSR has the necessary communication, trade and management structures for an adequate use of the Japanese aid.

The political aspect: Tokyo is to consider the relationships between the Center and the republics and the nature of the national conflicts in the USSR and the intentions of Moscow to advance changes.

The international aspect: Tokyo considers that the Soviet Union's new-thinking policy must be universal and it must cover not only the relationships with Europe and America but with the Asian countries too, including Japan.

According to the Japanese Foreign Ministry General Director, the G-7 countries have the same views on the aid terms to the USSR. President Gorbachev was informed about it. Mr. Watanabe also said that leaders of the G-7 countries were impressed by the Soviet leader's political passion. Finally it influenced the decisions taken in London.

The controversy over the Northern Territories

As a Japanese diplomat pointed out, Mr. Kaifu did not raise the question of the "Northern Territories" at the summit meeting. The question was, however, discussed at a meeting of the G-7 before their economic summit.

In response to our correspondent's question as to why Japan had not insisted on the inclusion of the issue of the "Northern Territories" in the official G-7 agenda in London like it had in Houston Mr. Watanabe said, "On the eve of the meeting in London the G-7 members seriously discussed all the problems connected with the Soviet Union. As a result a new formula was devised regarding support in all spheres for the "new thinking" in Soviet politics." Mr. Watanabe characterised this as the best variant as it did touch upon the question of the "Northern Territories."

The diplomat also reminded the DP correspondent that Japan was still pressing for sovereignty over four islands in the Small Kurile chain. According to the diplomat, until this problem is resolved Tokyo cannot permit all the Japanese, who want to, to visit the "Northern Territories". (The suggestion of visa-free travel rights was proposed by Mr Gorbachev during his recent visit to Japan.) Such a decision, he said, could give the impression that Japan was giving up all claims to sovereignty over the islands. The diplomat also expressed the hope that in future the Soviet Union would devote more attention to the development of relations with Japan and that the issue of the "Northern Territories" would be solved through dialogue. Mr. Gorbachev's visit to the burial place of Japanese soldiers in Khabarovsk was considered as evidence of the Soviet Union's serious intention to improve relations with Japan.

Possible meeting between Yelstin and Kaifu

According to a Japanese diplomat a meeting could take place between Mr. Kaifu and the president of the Russian republic, Mr. Yeltsin if circumstances permit. This would, according to our source, provide greater opportunity for dialogue between Tokyo, Soviet leaders and leaders of the republics. He, however, emphasised that at the moment Tokyo only has diplomatic relations with the Soviet Government.

Yanayev Meets South Korean Delegation

LD2207123191 Moscow All-Union Radio Mayak Network in Russian 1000 GMT 22 Jul 91

[Text] USSR Vice President Yanayev today met a delegation of parliamentarians from the Republic of Korea led by Kim Yun-Hwan, secretary general of the Democratic Liberal Party. The delegation arrived in our country at the invitation of the leadership of the Kazakh Soviet Socialist Republic.

Urges DPRK To Sign Nuclear Accord

SK2207131391 Seoul YONHAP in English 1259 GMT 22 Jul 91

[Text] Moscow, July 22 (OANA-YONHAP)—Soviet Vice President Gennadiy Yanayev, meeting with a visiting South Korean ruling party official Monday, said Moscow will try to convince North Korea to sign and fully implement the Nuclear Safeguards Accord.

The Soviet leader said his country, hoping for the same reconciliation that led to the decision to disband the

Warsaw Pact in Europe to occur on the Korean Peninsula, is carefully watching political and economic developments in the region.

Kim Yun-Hwan, secretary-general of South Korea's ruling Democratic Liberal Party, is on a 10-day visit to the Soviet Union at the invitation of the Kazakhstan Republic's parliament.

Seoul and Moscow normalized ties on Sept. 30, 1990.

The wall of distrust and confrontation is high despite growing reconciliatory and cooperative mood in Northeast Asia, Kim told the vice president, asking Moscow to urge North Korea to sincerely seek meaningful progress in inter-Korean relations.

North Korea's next move after joining the United Nations should be signing and faithful implementation of the Nuclear Safeguards Accord, Yanayev said. South Korea should negotiate with the United States, the Soviet Union with North Korea to make possible such a move, the Soviet leader said.

On bilateral ties, he named combination of advanced Soviet technology and South Korea's commercialization skills and joint energy resources and fisheries development as major cooperation projects.

Yanayev, a Politburo member and Communist Party Central Committee secretary, told Kim he will soon form the Soviet side of the South Korea-Soviet Union Friendship Committee.

Soviet-South Korea Shipping Route Opens

LD2307085891 Moscow All-Union Radio Mayak Network in Russian 2200 GMT 22 Jul 91

[Summary] A direct sea route between the South Korean port of Pusan and the Soviet port of Vostochnyy has opened. Our correspondent Leonid Savitskiy reports.

[Savitskiy] Two ships are plying the route on a scheduled basis, the Soviet ship 'Kapitan Gnezdilov' and the South Korean MV 'Trade Luck'. The container carriers make two voyages weekly. We carry to Korea not only Soviet-made electrical equipment and chemicals but also transit cargo from Europe. Transport operations are being organized by the recently set up Korso Soviet-Korean company.

The Trans-Siberian Railway and aviation have been brought in to assist the sea route operation. They ensure the speedy delivery of container cargo passing through the USSR from South Korea to European countries.

Near East & South Asia

USSR Said To Supply Iraq With Communications

LD2207210891 Moscow Radio Rossii Network in Russian 1900 GMT 22 Jul 91

[Text] St. Petersburg. Denis Gurinskiy, INTERFAX correspondent, has learned about certain details of Soviet-Iraqi cooperation. Here is his report.

[Gurinskiy] We have information to the effect that Saddam Husayn has asked the USSR to supply a system of telecommunications ensuring control over the country's territory, to replace the one destroyed by the Allies. The USSR has shown a benevolent attitude to this request and is ready to satisfy it. This information has been thoroughly checked out. A statement to this effect was made by (Bakhtiyar Amin), a leader of the Kurdish Institute in Paris, in an interview with the Leningrad weekly CHAS PIK. (Bakhtiyar Amir), who heads the institute, which is an influential political center of the Kurdish liberation movement and represents its interests in Europe, asserts also that the planned delivery of a telecommunications system to Baghdad by the Soviet Government (?may be regarded as) an act of support for Saddam Husayn. (Bakhtiyar Amin) says that during the Kurdish uprising, there were instances when Soviet specialists were captured. This took place after the Allied combat operations against Iraq. Concluding the interview, (Bakhtiyar Amin) maintains that providing Saddam with such a strategic object as a telecommunications system will result in the Baghdad regime strengthening its control over the country's territory. Denis Gurinskiy from Leningrad.

Iraqi Official Views Events in Gulf

OW2207134991 Moscow INTERFAX in English 1830 GMT 19 Jul 91

[Article by Igor Porshnev: "Events in the Persian Gulf: Baghdad's Position"; transmitted via KYODO]

[Text]

The withdrawal of Allied Troops

The recent report about the completion of the withdrawal of Allied troops from Iraqi territory has not caused much enthusiasm in Baghdad, the press secretary of the Iraqi embassy in Moscow, Halib al-Tamimi, has told the DP [Diplomatic Panorama] correspondent. He said that neither the people nor the government of Iraq had invited these troops into the country. It was nothing but the use of force against Iraq. Any further presence of Allied troops in Iraq would now be senseless anyway, since the Kurdish problem, which was used as a pretext for their presence, has nearly been solved. The fact, however, that the foreign troops have only been withdrawn from Iraq but remain in the region, having been

transferred to the south of Turkey, probably means, the diplomat believes, that "a new plot is being hatched against Iraq".

Iraq's nuclear programme

When asked about his country's nuclear programme, Halib al-Tamimi replied that this pursues entirely peaceful aims. This, he said, has been shown by Iraq's willingness to allow experts from the United Nations, the Arab League and other international organisations to do their inspection. According to Halib al-Tamimi, Iraq has given the United Nations exhaustive information about its nuclear programme.

He described the American plans to bomb Iraqi nuclear installations as a real danger, and said that the idea was to destroy what had been left of the country's economy after the hostilities. Even if one were to assume that the American arguments were not entirely groundless, bombing nuclear installations was worse than using nuclear weapons.

The explanation is very simple, Halib al-Tamimi believes the United States simply does not want any Arab country to have a nuclear programme of its own. Whereas the ultimate aim of Washington's policy is to destroy the present system in Iraq, overthrow President Saddam Husayn and his government and establish its complete control over the region. Iraq, Halib al-Tamimi emphasised, is the only force countering the American plans in the region.

Call Made for Mideast Conference Invitations

TA2207185891 Jerusalem Israel Television Network in Hebrew 1800 GMT 22 Jul 91

[Text] The USSR has called for the invitations to a peace conference to be drafted jointly by the two superpowers and to be made public at the end of the Bush-Gorbachev summit meeting scheduled for late July in Moscow, a senior source in the Soviet Foreign Ministry told our correspondent Mikha'el Karpin today.

Baker's Talks in Israel Assessed

LD2307080691 Moscow Radio Moscow in Arabic 1600 GMT 22 Jul 91

[Commentary bty Aleksandr Timoshkin]

[Text] Secretary of State James Baker's talks with Israeli Premier Shamir, Foreign Minister David Levi, and Defense Minister Moshe Arens, which finished today, satisfied both sides, as announced by James Baker and Yitzhaq Shamir. One now must wait for the final reply from the Israeli Government on the U.S. proposals. Avi Pazner, official Israeli Government spokesman, said that this reply requires days and not weeks. He told journalists that the feature of some aspects require accurate study, and this, of course, takes time. In the interest of shortening this time, James Baker left behind four of his closest advisors in Israel. When he left Israel, he expressed his great hope that Shamir's government would give a speedy and positive reply to U.S. President George Bush's suggestions. The U.S. secretary of state also announced that the true possibility has appeared, for the first time in more than 40 years, for the Arab-Israeli conflict to start being solved through direct, peaceful, talks between those participating in it, even on a bilateral basis. According to David Levi's assurance, the U.S. secretary of state revealed to him that Syria has agreed to bilateral talks with Israel. There are rumors that the Palestinian representation in the peace conference could be solved. It is worth mentioning that the Arab parties concerned, the seven most advanced European nations, and the Soviet Union call for considering the principle of peace for land the basis for a just settlement in the Middle East and for ensuring the political rights of the Palestinian people. In this respect, I would like to remind you that, during his visit to Greece and Turkey last week, the U.S. President called on Israel repeatedly to stop building settlements in the Arab territories which it occupied in June 1967. The Soviet Union also insists on that and is convinced that guaranteeing true peace and security for all the peoples and countries of this region is impossible without the withdrawal of Israeli forces from all the occupied Arab territories. It is also worth noting that the Arab world, including the PLO, practically acknowledged the legitimate right of the state of Israel to exist, and this is not a maneuvre, as Israel tries to represent the flexibility and realism of the current Arab position with respect to the political settlement in the region. Of course, the solution now hinges on the Israeli Government, which should now reconsider the outdated molds in its policies toward the Arabs and the issue of creating circumstances for a genuine, peaceful life in the area.

Israeli Agriculture Minister Ends Soviet Visit

LD2207201691 Moscow Russian Television Network in Russian 1700 GMT 22 Jul 91

[From the "Vesti" newscast]

[Text] Refa'el Eytan, Israeli minister of agriculture, ended his 10-day trip around the Soviet Union by holding a news conference today. Over that period he was able to visit our main agricultural areas: Stavropol, Ivanovo, and Astrakhan. The minister said that judging by what he had seen Soviet agrarian potential is unquestionable for him. As regards links with Israel in this sphere, they are possible when diplomatic relations between our states are given full status. [video shows news conference]

Palestine National Council Delegation Arrives

LD2207173791 Moscow TASS International Service in Russian 1642 GMT 22 Jul 91

[By diplomatic correspondent Rostislav Gertsev]

[Text] Moscow, 22 Jul (TASS)—Ibrahim Abu-Lughud, the leader of a Palestinian parliamentary delegation, arrived in Moscow today. The official visit by a delegation of the Palestine National Council, which is to arrive at the invitation of the USSR Supreme Soviet, will start on 24 July. The Palestinian parliamentary delegation's program in the USSR includes meetings with Gennadiy Yanayev, USSR vice president; Rafik Nishanov, chairman of the Council of Nationalities of the USSR Supreme Soviet; and Aleksandr Dzasokhov, chairman of the USSR Supreme Soviet Committee on International Issues; conversations at the USSR Ministry of Foreign Affairs and the Union of Soviet Friendship Societies; and a trip to Leningrad.

Yanayev, Lukyanov Attend Afghan War Exhibition

PM2207123591 Moscow KRASNAYA ZVEZDA in Russian 17 Jul 91 Second Edition p 1

[Report by Lieutenant Colonel K. Nesvitskiy: "'Afghan War' Exhibition]

[Text] Across the Central Exhibition Hall (Manezh) lie the remains of a MIG that was shot down and next to it are piled shell and cartridge cases and a soldier's simple belongings.... All this is surrounded by a barricade of iron casks and on them in white paint in large letters are the figures of our losses in Afghanistan—dead, wounded, and missing. Nearby is combat equipment, a soldier's tent and a medical point have beeen set up and greatcoats and vests have been hung up on stands... And all around are many, many photographs. They include the photographs of those who will never return home. Those who fulfilled their military duty honorably and to the end.

"The Afghan war"—that is the name of the charitable exhibition which opened at the Manezh 16 July. Its organizers are the all-union association of veterans and invalids and the Moscow union of Afghan war veterans.

The opening of the exhibition was attended by USSR Vice President G. Yanayev; A. Lukyanov, chairman of the USSR Supreme Soviet; Colonel General B. Gromov, former commander of the 40th army; and B. Shafei [name as transliterated], adivser and envoy of the Afghan Embassy in the USSR. USSR President M. Gorbachev sent a letter of greetings.

Moscow Mayor Meets With Kabul Counterpart

LD2207162991 Moscow All-Union Radio First Program Radio-1 Network 1200 GMT 22 Jul 91

[Text] There is a need to make our economic relations mutually beneficial, Moscow mayor Popov said at a meeting he held with Nurzad, the mayor of Kabul. Popov spoke about the economic situation and the measures being mapped out for the development of the city's market structure. Great attention was paid to problems relating to foreign investment and creation of joint ventures, including with Afghanistan.

The mayor of Kabul expressed deep satisfaction with the meeting, having noted that the Afghan capital does not want to miss the changes underway and hopes to strengthen relations with Moscow based on mutual benefit. As one of the forms of cooperation, he suggested that his city could serve as an intermediary in trade with third countries.

Indian Satellite Arrives in Baykonur for Launch

LD1907100691 Moscow TASS in English 0923 GMT 19 Jul 91

[Text] New Delhi July 19 TASS—After a series of successful tests, the IRS-1 B Indian long-distance sounding satellite was flown aboard the IL-76 airplane from the city of Bangalore in Karnataka State to the Baykonur Space Centre in Soviet Central Asia.

The satellite will be launched into space atop the Soviet Vostok booster this August.

The IRS-1 B is the second of a series of probes designed for an Indian program to develop agriculture and forestry, prospecting and environmental research.

Indian-Soviet cooperation in space exploration began several years ago. It got a boost in 1972, when the two countries signed an agreement to launch the Aryabhata Indian satellite.

In addition to Aryabhata, Soviet boosters put into orbit the Bhaskara and Bhaskara-2 satellites.

Bilateral cooperation in space was capped by a joint space flight that put Indian cosmonaut into space.

The launching of IRS satellites is an important milestone that paved the way for commercial cooperation in space, analysts said.

Sub-Saharan Africa

Foreign Ministry Official on African Relations

LD1907192491 Moscow TASS in English 1712 GMT 19 Jul 91

[By diplomatic correspondent Sergey Nikishov]

[Text] Moscow July 19 TASS—Vladimir Titov, a high-ranking staff member at the Soviet Foreign Ministry's Directorate for International Organisations, believes that one of the main priorities of Soviet policy on the African continent is "to direct the Soviet Union's cooperation with African countries into the channel of mutual interest and benefit."

"African countries are an important reserve of our prestige in the 'third world' and a factor in ensuring the Soviet Union's long-term positions within the east-west relationships through influence in the developing countries and of our awareness of our global mission and responsibility as a superpower in international affairs,"

Titov writes in an article published in the July issue of the MEZHDUNARADNAYA ZHIZN (INTERNATIONAL AFFAIRS) journal.

The practical realisation of "our line in Africa," in his view, is connected primarily with the maintenance and stimulation of political dialogue, through which the Soviet Union could convince African leaders that the USSR, despite perestroyka difficulties, by no means intends to be passive as regards the African aspect of its foreign policy, and still less intends to quit Africa.

The Soviet Union's involvement in the elaboration of models to settle conflicts on "the Africa continent, Titov writes, "puts in a new way the question of our military cooperation with African countries."

The "principle of defence sufficiency" should be regarded as of paramount importance in working out plans for military contacts with them, Titov believes.

It is important to achieve a change-over of military cooperation to mutual advantage, including that through the introduction of new forms of settlements (the delivery of goods and raw materials for the Soviet national economy) in paying for the supply of Soviet arms and in repaying debts on military credits, the article points out.

The Soviet diplomat believes that "there is an urgent need to reorganize our trade-and-economic cooperation with Africa on principles of mutual benefit."

In this connection, it is essential to think of involving companies, joint ventures and cooperatives, which are being established in the Soviet Union, in foreign-trade and economic deals and of fostering direct contacts between Union republics and individual regions, with African partners, Titov points out.

Titov is of the opinion that the question of maintaining the level of relations with African countries in the humanitarian field and putting them on a commercial basis with due regard for the economic resources of individual countries is also topical.

RSA Law Minister, Institute Leader Interviewed

MB2107141491 Moscow Radio Moscow in Afrikaans 1900 GMT 20 Jul 91

["Excerpts" from interviews conducted with Adriaan Vlok, South African minister of law and order, and Oscar Dhlomo, head of the Institute for a Multiparty Democracy by journalists from the USSR newspaper NOVAYA VEREMYA—read by Radio Moscow announcer Lukas Venter]

[Text] Today you can hear what Mr. Adriaan Vlok, South African minister of law and order, has to say about the processes taking place in the country, as well as the view of Dr. Oscar Dhlomo, the former secretary general of the Inkatha Freedom Party, and presently, head of the Institute for a Multiparty Democracy.

Journalists of the Soviet weekly newspaper NOVAYA VEREMYA spoke to both people. You can now listen to excerpts from these interviews.

Venter: Mr. Vlok, the key word today in both South Africa and the USSR is: change. The main question: Can one make changes and maintain law and order at the same time? What is your view on this?

Vlok: The maintenance of apartheid laws depended on the effectiveness of the police force. We are presently lifting these laws. In the new system the police will carry out tasks in accordance with general acceptable norms governing law and order. New laws are being accepted.

Venter: In this period of change, and sometimes this period can be really difficult, people long for the old order. People living in a totalitarian regime will understand this concept.

Here in the Soviet Union, for example, the crime rate soared with the arrival of democracy. What is the situation in South Africa, Mr. Minister?

Vlok: The situation is the same. During the state of emergency which I had introduced earlier it was easier to control violence. One could lock up people and ban organizations but the results were still ineffective. We have to find better solutions and we have to change the political structures in the country.

Today we cannot ban organizations or lock up people. This still leads to an increase in crime, but this is the choice one has to make: dictatorship or democracy.

Venter: When will the situation in South Africa normalize?

Vlok: We are in a hurry but if one has to be realistic then it will take time. Maybe a year or two. Everything depends on the people who want to come into power, people who are prepared to fight for this using all methods at their disposal.

I feel that meaningful changes should be made as soon as possible. Our opponents must be part of the government. Let them accept the responsibility for the defense force, the police and the running of the country. The sooner this happens the better it will be. The aim is not to establish a black government but a balanced one who will not exclude the whites since they have the knowledge and education.

We must share power with all population groups and should not institute another dictatorship. There is only one path: to end violence and to negotiate South Africa's future and restore the economy.

Venter: You can now listen to an excerpt from the interview conducted with Dr. Oscar Dhlomo:

Dhlomo: We do not have another alternative to studying the democratic system closely. I do not think that our political parties are ready for life after apartheid. We

should adopt democratic values and learn to practice political tolerance. Our leaders do not know how to solve differences by using democratic methods. They prefer to do this physically.

The long years of apartheid have led to antagonism and hatred. Now, with the arrival of a new order we must show people a new perspective. We will not be able to find any solutions without reconciliation. It is time to say: Let us forget the past. However, there are people who are not ready to forget mistakes of the past. On the other hand there are people who believe that the approaching system of democracy is a threat to their privileges.

Venter: What are the causes of the conflict in the black community?

Dhlomo: Firstly, differences of opinion with regards to strategy. Everyone agrees that apartheid has to be destroyed but they do not agree on the methods. Some say that apartheid should be destroyed with violence. Others believe in the possibility that the system can be disposed of through the process of negotiation. Sometimes the differences in strategy are so great that it seems as if the final goal is also different.

Another reason for the violence is the fact that apartheid is going to crumble and the question is: Who will come into power? They are already fighting over this issue. In public the leaders maintain that they are not waging an armed struggle, but who knows what they are telling each other face to face. Who knows?

However, it is not the leaders participating in these fights, it is their followers. It would be wise if the leaders of the ANC and Inkatha would accept all responsibility and launch a joint investigation to determine who is initiating the violence. They should also make peace with each other.

Delegate to ANC Congress Interviewed

OW1807093391 Moscow INTERFAX in English 1800 GMT 17 Jul 91

[From the "Diplomatic Panorama"; transmitted via KYODO]

[Text] On July 2-6 in the South African city of Durban for the first time for many decades a legal conference of the African National Congress [ANC] was held. More than five hundred foreign delegates took part in the congress, including a delegation from the Soviet Communist Party, headed by the number of the international department of the Central Committee, Vladimir Shubin. Here he gives IF [INTERFAX] an exclusive interview:

The conference in Durban, according to Mr. Shubin, confirmed the ANC's role as a leading political organisation in South Africa, an organisation whose opinions are held by members of very different sections of society. To confirm this statement he cited a very decisive fact. When the ANC adopted a resolution on the possible gradual lifting of sanctions against South Africa (depending of the course talks between it and authorities), the exchange rate of the Rand rose immediately. In other words, Mr. Shubin went on, the ANC already has a direct influence on both the political and economic situation in South Africa.

As far as the inter-party connections of the Soviet Communist Party and the ANC and the South African Communist Party are concerned, Mr. Shubin commented on their initial development. He pointed to the growth in influence of the South African communists considering that the country is the home of virulent anti-communist propaganda. He pointed to the election of Joe Slovo and other members of the South African Communist Party to the ANC leadership. The Soviet Communist Party, according to Mr. Shubin, is ready to develop and deepen traditional ties with the ANC, a fact that was mentioned in the message sent by the party to the ANC conference. In his opinion, a lot could be learned from the ANC, including work methods at people's homes.

The warm welcome given to the members of the Soviet delegation, according to Mr. Shubin, is another confirmation that the Soviet Union took the right course concerning South Africa for many years, as is the fact that the Soviet Union is acceptable for many different sections of South African society from both the black and the English speaking white communities. This provides a good basis for mutual cooperation in a large number of fields.

According to Mr. Shubin, it is important not to move forward at too fast a pace. This is being done by certain individuals which represent no-one and nothing but claim to be Russian or Soviet officials. This does nothing to help bilateral relations. Mr. Shubin laid great emphasis on the fact that these relations should take into account the position of the world community.

As Mr. Shubin pointed out, relations with the present South African government should be developed with an eye to the future. In his opinion the present government is on the way out. Sooner or later the dialogue in South Africa will lead to the formation of a new government which will have quite a different make up. The ANC will of course play a very important role in it. According to Mr. Shubin, the present contacts with the ANC will serve future state ties between the Soviet Union and South Africa.

Official Praises Nelson Mandela's Statesmanship

OW1907065391 Moscow INTERFAX in English 1200 GMT 18 Jul 91

[Report by diplomatic correspondent Igor Porshnev, transmitted via KYODO]

[Text] The 48th conference of the African National Congress (ANC) in Durban was attended by a delegation

of the Soviet Committee of Solidarity with Asian and African Countries led by Dmitriy Zavgorodny.

The delegation's leader was greatly impressed by the meeting with the ANC President Nelson Mandela, a statesman of the highest calibre, in his words. The meeting was also attended by the leader of the CPSU delegation to the conference Vladimir Shubin and the head of the Soviet Interests' Section of the Austrian Embassy in Pretoria Aleksey Makarov.

According to D.Zavgorodny, various problems under discussion included the coming visit by N.Mandela to the USSR. The visit has been put off several times on Soviet initiative. Both sides understand that the delay is due to unforeseen engagements of the Soviet leadership. N.Mandela expressed satisfaction with the Soviet intention to hold the Moscow meeting as soon as possible (probably next month).

D.Zavgorodny describes the talk with N.Mandela as friendly and ending in mutual assurances of solidarity and further cooperation.

His committee's delegation also met with the leaders of other Black African organisations including the Panafrican Congress, and AZAP (Black Consciousness). There were constructive contacts with the South African Trade Unions and various liberal organisations of the white population (the Institute of Democratic Alternative, the Democratic Party).

The Soviet delegation advertised as much as possible the newly set up Soviet Society of Friendship with South Africa, as an important sign that the Soviet public are sincerely interested in contacts with the country. Such contacts, stressed D.Zavgorodnym, should take into account the situation in South Africa and the world public opinion.

On the prospects of cooperation between his committee and the ANC D.Zavgorodny said that joint projects are being developed not only in the humanitarian, but also commercial sphere. That involves, among other things, mutually beneficial operation of enterprises owned by the ANC. D.Zavgorodny pointed out that the ANC delegation in Moscow is accredited with the Solidarity Committee—a reliable channel of cooperation between the two organisations.

Deputy Minister Receives Ghanian Ambassador

LD1907160191 Moscow TASS in English 1422 GMT 19 Jul 91

[Text] Moscow July 19 TASS—Soviet Deputy Foreign Minister Valeriy Nikolayenko received today Chris Hesse, ambassador to [as received] the Republic of Ghana, at the latter's request. They discussed bilateral relations and prospects of Soviet-Ghanian cooperation, including in the international arena.

USSR, EC, Niger Sign Health Agreement

LD1907164791 Moscow TASS in English 1457 GMT 19 Jul 91

[Text] Moscow July 19 TASS—The Soviet Union, the European Communities and the Republic of the Niger have signed an agreement on cooperation in health protection in Niamey, Niger's capital.

Under the agreement, the EC undertakes the financing of the activities of Soviet physicians in Niger. The Nigerian Government will provide the necessary conditions for the Soviet specialists' work.

The agreement is the first of its kind in multilateral international cooperation in the humanitarian sphere in the region with the participation of the Soviet Union.

The Soviet Foreign Ministry hopes that the agreement will serve as a good example for developing trilateral cooperation and will promote the solution of acute problems in Africa.

West Europe

Greek Prime Minister Pays Official Visit

Mitsotakis: Visit Important

LD2007141191 Moscow All-Union Radio Mayak Network in Russian 0400 GMT 20 Jul 91

[Text] Greek Prime Minister Konstandinos Mitsotakis will pay an official visit to the USSR 22-26 July. Here is an interview which he gave to our Athens correspondent, Vyacheslav Alekseyev, on the eve of his trip.

[Begin recording] [Alekseyev] Mr. Prime Minister, what do you expect from your visit to Moscow and, in particular, from your conversations with President Mikhail Gorbachev?

[Mitsotakis, in Greek with superimposed Russian translation] I consider my coming visit to your country an extraordinarily important event, Konstandinos Mitsotakis says. I think that it will be useful and bear results for our two countries. Its first result undoubtedly will be the strengthening and broadening of the traditional diverse links between our countries and peoples in culture, politics and religion.

Second, these links will become more stable, in the first place in the political sphere, but they must also be activated in particular in the economic sphere. In our time this has great significance for both our countries.

We will also talk about the situation in the Balkans which is marked with particular acuteness today, and also Greek-Turkish relations which concern us. The Cyprus question will also be on the agenda of my meetings in your country. I will also talk about European integration within the framework of the EC and about

the future united European of which the Soviet-Union will also be part, Konstandinos Mitsotakis further noted.

I also want to tell you that I am particularly interested in—and therefore I want to gain my own impression—the radical changes which are taking place in the life of the peoples of your country under the leadership of President Mikhail Gorbachev which, undoubtedly have great significance for the rest of the world.

Ties 'Very Durable'

LD2007193891 Moscow TASS in English 1719 GMT 20 Jul 91

[By correspondent Vladimir Malyshev]

[Text] Athens July 20 TASS—"Ties between our nations are very durable. They have been developing since time immemorial, "Greek Prime Minister Constantinos Mitsotakis told TASS on the eve of his official visit to the Soviet Union, which begins on July 22.

Mentioning the stages of the development of those ties, the prime minister said that the Philike Eteria Society had been created in Odessa, which had set the beginning of the national liberation struggle of the Greek people in the 19th century. This fact, as well as the participation in the common struggle in modern times has laid a durable foundation for the development of relations between our two countries in the direction of new horizons, especially now, when contradictions of the past have been overcome.

Speaking about prospects of the visit, he mentioned the forthcoming signing of important documents, specifically, the treaty of friendship and cooperation between the two countries. I am sure that in several years we shall be able to achieve a higher level of a comprehensive development of our relations, he said.

Apart from bilateral relations, he continued, the participation of our two countries in the creation of new Europe in the light of history-making events of the past years, in which President Gorbachev played a decisive role, will be of special importance for the development of Soviet-Greek ties.

According to Mitsotakis, the consolidation of peace and the respect for norms of international law form the main direction of the Greek foreign policy. By today, European countries have already laid the foundation of new structures, in which the Soviet Union will play one of the leading roles, he continued. However, in order to conclude this process which is of special significance for the consolidation of universal peace and security, much efforts will have to be exerted, numerous sacrifices will have to ba made, and, which is especially important, mutual understanding and solidarity will have to be achieved.

Mitsotakis spoke in favour of the preservation of Yugoslavia's unity and the observance of constitutional order there. In his opinion, Greece is to play the part of a bridge between the EEC and Balkan countries. The development of the European unification process wil be the main restraining factor for inter-ethnic and religious unrest, threatening to turn the Balkan peninsula into Europe's powder-barrel.

The Greek prime minister described the Cyprus problem as an anachronism in Europe, where the "dividing walls have been destroyed." We are doing our best for finding a just and viable solution to the Cyprus problem in accordance with the UN resolutons, he said.

Responding to the question about a possible growth of the EEC membership, Mitsotakis said that the European Community should not be an exclusive club. There is no denying the fact that East European countries are members of a large European family, and there are grounds to believe that in the future they will join the EEC.

Moscow TV Interview

LD2107220691 Moscow Central Television First Program Network in Russian 1925 GMT 21 Jul 91

[Interview with Greek Prime Minister Konstandinos Mitsotakis by correspondent Vyacheslav Alekseyev at the Greek prime minister's residence in Greece; date not given; Mitsotakis in Greek fading to Russian translation—recorded]

[Text] [Alekseyev] This residence of the Greek prime minister is situated close to the Greek capital. There I was received by its present occupant, Konstandinos Mitsotakis.

Prime Minister, what do you expect from your visit to Moscow and, in particular, from your talks with President Mikhail Gorbachev?

[Mitsotakis] I consider my coming visit to your country an extraordinarily important event. I believe that it will be useful and will yield results for our two countries. Its first result will undoubtedly be the strengthening and broadening of the traditional multifaceted links between our countries and peoples in the spheres of culture, politics and religion. These links will become more stable, in the first place in the political sphere, but they must be activated particularly in the economic sphere. In our time this has great significance for both our country and yours. My visit must provide a new impetus for Greek-Soviet economic relations. In Moscow I will have opportunities to exchange opinions and information on problems of interest both to Athens and to Moscow.

We will also talk about the particularly acute situation in the Balkans today and also Greek-Turkish relations which concern us. The Cyprus question will also be on the agenda of my meetings in your country. I will also talk about European integration within the framework of the EEC and about the future united Europe, of which the Soviet Union will also be part.

I also want to tell you that I am particularly interested in—and therefore I want to form my own impression of

this—the radical changes taking place in your country under the leadership of President Mikhail Gorbachev, which undoubtedly have great significance for the rest of the world.

I also want to become more closely acquainted with the life of Soviet citizens of Greek origin, of whom there are many in your country. We Greeks consider them as part of our nation. It is known that they work successfully in your country, and many of them have achieved high qualifications in their professions.

[Alekseyev] Prime Minister, in your view what return can be expected from the friendship and cooperation agreement between our two countries?

[Mitsotakis] It is exceedingly and fundamentally important for our two countries. This agreement shows that the Governments of the USSR and Greece are fully resolved to raise interstate relations to a new and higher level. I also expect that it will first and foremost help in widening political dialogue between the two countries and will exert a positive influence on sociopolitical processes in the Balkan peninsula within the framework of the accords of the all-European Conference on Security and Cooperation. This agreement will also create a firm foundation for further links between the Governments of the USSR and Greece at summit level, evidence of which is provided by my forthcoming meeting with Mikhail Gorbachev. Furthermore this agreement will also create the prerequisites for cooperation between our countries in the sphere of economy in the spirit that is characteristic for today's changing world. It will also enable us to strengthen cultural contacts between our peoples who have much in common in their spiritual life; it will open up new horizons in scientific research and environmental protection. On top of that, the agreement on friendship and cooperation between our countries will, of course, provide an opportunity for their public and various movements to establish links between themselves, and not only them, but ordinary citizens too.

As we know, your country is now moving toward the free market and the mixed economy. Greece, incidentally, is a country that has always had that kind of economy. Furthermore, I consider that the establishment of direct and immediate contacts between enterprises and individual citizens in our countries is a more important task than the closest interaction between governments.

I believe that the friendship and cooperation agreement between the USSR and Greece will help our peoples to move more rapidly toward each other. This agreement will work for the well-being of our two peoples, and they will be able to use it in full measure, drawing the affection for each other that goes back over the centuries. That is precisely the kind of agreement that will be signed in Moscow for the first time between the USSR and Greece. I am glad that I have the honor of doing this in your capital as the Greek prime minister, together with President Mikhail Gorbachev.

[Alekseyev] Prime Minister, what would you like to convey to the peoples of the Soviet Union on the eve of your official visit to our country?

[Mitsotakis] The first thing I would like to convey to the Soviet people is the love and respect for them that we Greeks have long held for the peoples of your country. My words are not spoken out of politeness but are the sincere feeling of my people, a feeling that lives in the heart of every Greek. I have no doubt that similar feelings are felt by Soviet people with regard to the Greek people. We are not going to forget either the fact that the peoples of our countries fought together against the common enemy, fascism, and suffered heavy losses during World War II. I am therefore confident that the traditional friendly relations that exist between our peoples create a favorable atmosphere for broadening interstate links too upon a foundation of mutual respect and trust. Our bilateral contacts, it seems to me, will be developed further in the future under the conditions of the new world, free from wars, at the foundation of which are the basic human values of democracy, freedom, and equality. We wish the Soviet people happiness in this new world, watching with great affection your efforts in the cause of moving forward perestroyka and overcoming its difficulties. Our people have also experienced a great deal in its history. We in Greece hope that your great country will be able to cope with the current difficult problems and that it will play in the modern world the role that it has been given by history. Those are my friendly wishes to the peoples of the Soviet Union.

Arrives in USSR

LD2207140291 Moscow TASS International Service in Russian 1336 GMT 22 Jul 91

[Text] Moscow, 22 Jul (TASS)—Konstandinos Mitsotakis, prime minister of the Hellenic Republic, arrived in Moscow today on an official visit at the invitation of USSR President Mikhail Gorbachev. He was met by Vladimir Shcherbakov, first deputy prime minister of the USSR; Aleksandr Bessmertnykh, minister of foreign affairs of the USSR; and other officials.

At Vnukovo Airport, where a welcome ceremony was held, the state flags of both countries were raised and the national anthems of Greece and the USSR were played. Konstandinos Mitsotakis and Aleksandr Bessmertnykh inspected the guard of honor. From the airport, the motorcade of vehicles, which was accompanied by a motorcycle escort, headed toward the accommodation of the head of the Greek government in Moscow.

Welcomed by Gorbachev

LD2207172191 Moscow All-Union Radio Mayak in Russian 1530 GMT 22 Jul 91

[Text] The official welcoming ceremony for Konstandinos Mitsotakis, prime minister of Greece, took place today in the Georgian Hall of the Grand Kremlin Palace.

The visitor arrived in Moscow today for an official visit. The USSR president and Raisa Maksimovna Gorbacheva warmly welcomed the prime minister and his spouse. Next a discussion began between Mikhail Sergeyevich Gorbachev and Konstandinos Mitsotakis.

Exchanges Views With Gorbachev

LD2207184491 Moscow Central Television First Program Network in Russian 1800 GMT 22 Jul 91

[From the "Vremya" newscast]

[Text] We have just received a report of a Soviet-Greek meeting at summit level. On 22 July, USSR President Mikhail Gorbachev met Greek Prime Minister Konstandinos Mitsotakis. Describing the distinctive features of the present period, Mikhail Gorbachev said that it has proved possible to embark on an unprecedented political dialogue, which has already passed very difficult trials, and particularly that of the war in the Persian Gulf, and in London a few days ago a start was made on economic cooperation of a new type as a basis for a new world politics. Opportunities for strengthening the positive tendencies are to hand, but special attention needs to be paid to the threats that lie in their path, particularly because new institutions capable of effectively insuring general security have not yet emerged.

Mikhail Sergeyevich Gorbachev and Konstandinos Mitsotakis exchanged views on the ways in which Soviet-Greek cooperation should be taken forward in the new international and domestic situation and how the new stage of relations being opened by the unprecedented treaty of friendship and cooperation between USSR and Greece should be given substance.

Konstandinos Mitsotakis laid special stress in this regard on opportunities in the field of power engineering, shipping and also, the president added, food. Mikhail Sergeyevich Gorbachev and Konstandinos Mitsotakis discussed the situation in the eastern part of the Mediterranean and the Balkans, and the problem of Cyprus, and exchanged the information they possessed from their own points of view. The comparison of views enabled them to reach a conclusion on the possibility of settling the chronic Cyprus problem in the near future. The conversation passed off in an atmosphere of trust and mutual understanding.

Gorbachev Dinner Speech

LD2207194991 Moscow TASS International Service in Russian 1805 GMT 22 Jul 91

["Mikhail Gorbachev's Speech at the Dinner in the Kremlin"—TASS headline]

[Text] Moscow, 22 Jul (TASS)—Follows the text of Mikhail Gorbachev's speech at the dinner hosted on behalf of the USSR president and Raisa Gorbacheva in the Palace of Facets in the Great Kremlin Palace today in honor of Konstandinos Mitsotakis, prime minister of the Greek Republic, and his spouse:

Esteemed Mr. Prime Minister,

Esteemed Mrs. Marika Mitsotaki,

Ladies and gentlemen, comrades! The visit of the head of the Greek Government is a significant event. It betokens the embarking on new relations between our countries. A new quality of these is inherent in the treaty on friendship and cooperation, an unprecedented document in our centuries-old ties.

The treaty rests on our old traditions, on the enduring attraction of our peoples for one another, and on their historical proximity. Ancient Greek culture, Orthodoxy, and Greek statehood greatly affected the life and fate of many peoples of our country. This has always imparted a special nature to our ties with Greece. Russian society ardently responded to the rise of the liberation struggle of the Greek people in the last century. Russia helped an independent Greek state to be established on the map of Europe. Greece was among the first countries to establish diplomatic relations with the Soviet Union in 1924.

All this and many other things, including spiritual atmosphere, are a precious capital bequethed to us by previous generations. It provides steady moral and cultural support for the treaty which we are going to sign tomorrow. All its contents are aimed for the future. I am convinced that the treaty will also provide great dynamics for inter-state relations.

The visit of Mr. Konstandinos Mitsotakis, who, over a very short period of time, personally succeeded in doing a great deal to invigorate our relations, is a good example of our mutual readiness for a more fruitful, mutually beneficial cooperation and for stepping up contacts at all levels. The rapprochement between Greece and the USSR is in the mainstream of the all-European process, is underpinned by its principles, and itself represents an inalienable and constructive element of the movement toward a new Europe.

The transformations in the USSR will have enormous and beneficial consequences for Europe and the whole world. It is precisely during these days and weeks that a very great deal will be defined regarding the creation of prerequisites for the final success of perestroyka. We value the Greek people's solidarity with the grand cause our people are engaged in. We are grateful to you, Mr. Prime Minister, for the consistent position of principle with regard to the policy of new thinking and our reforms.

Together with U.S. President George Bush, we will sign the treaty on reducing strategic offensive nuclear weapons in Moscow in a week. Yet another—indubitably the biggest—step will have been made in the process of demilitarizing international politics; a weighty contribution to the new world politics.

An event which likewise is of world significance—the G-7 conference and the meeting of the USSR president with its leaders—has only just taken place in London. A decision which is, perhaps, among the most important political decisions made during the post- war period, has been adopted; a start has been made on economically underpinning the new world politics which are directed toward the 21st century.

The decisive element of its irreversibility—the interdependence of the participants in world progress—has been engaged.

Mr. Prime Minister. You and I have held talks today that are very rich in content. We have got to know each other closely. We have discovered much in common in our assessments and approaches to the main issues that are of interest to our countries—at any rate I say this for my own part with complete conviction. The main thing is that we have felt that trust in one another which today is the best guarantee of joint work for the good of our own countries and internationally.

We have discussed the painful areas of the international situation, particularly those which affect us directly: the situation in the Balkans and the situation in Yugoslavia. We are both disturbed by the events that have unfolded in that country. We are both in favor of a peaceful resolution of the crisis upon the principles of the all-European charter, and within the constitutional framework of Yugoslavia itself. We support the stabilizing role of the Greek Government in the region and are willing for cooperation both here and with regard to issues of the security of the whole Mediterranean region.

The period of transition in the history of Europe is, as we see, fraught with alarming turns of events and requires longstanding knots to be untied as quickly as possible. In this case I also have in mind the Cyprus problem. We are in favor of bringing nearer an international conference on Cyprus and of the search for joint solutions of a kind that would satisfy all Cypriots—Greeks and Turks—that would strengthen Cypriot statehood, and that would contribute to the peaceful lives of the peoples in this part of the Mediterranean region.

Mr. Prime Minister, Mrs. Marika Mitsotaki, friends!

Today's conversations and the character of the friendship and cooperation treaty enable me to state that we have raised our relations to a new level, that together we have taken an important new step toward strengthening trust and goodneighborliness, and that Soviet-Greek cooperation will be to the benefit of everyone with whom we deal.

To the health of Mr. Konstandinos Mitsotakis and his wife, to prosperity and peace for Greece, to Soviet-Greek friendship!

Mitsotakis Dinner Speech

LD2207192891 Moscow TASS in English 1902 GMT 22 Jul 91

[By diplomatic correspondent]

[Text] Moscow July 22 TASS—"The existence of a fine political climate" in relations between the Soviet Union and Greece was stated by Prime Minister Konstandinos Mitsotakis of the Hellenic Republic who is currently in the Soviet Union on an official visit.

He spoke today at a dinner given in his honour in the Kremlin.

Greece attaches much importance to all-round development of relations with the USSR, Mitsotakis said. He also stated the existence of "new positive prospects" in the field of bilateral economic relations.

The Greek premier described a treaty of friendship and cooperation between Greece and the Soviet Union, which the two sides intend to sign on Tuesday, as "yet another example of a substantial rise in the level" of bilateral relations.

Touching upon the situation on the Balkan Peninsula, Mitsotakis expressed an opinion that "a sense of all-European responsibility" should prevail in the actions of governments and peoples of the countries in the region.

Pointing to the danger of the internal political crisis in Yugoslavia, he said: "We are seriously concerned over the developments in that country. But we believe that reason and political far-sightedness will prevail and, with positive involvement of other european states, will help Yugoslavia survive the current upheaval".

Speaking about further development of the European Community (EC), he said that his country "energetically supports the efforts to create a united Europe". He described the rapprochement between the EC and the Soviet Union, the rapprochement which Greece resolutely supported, as an important step in efforts to create conditions for cooperation and stability in international affairs.

Touching upon relations between Greece and Turkey, he described as a "new positive step in the right direction" the Turkish prime minister's recent pronouncements about Greek-Turkish relations in his policy statement.

About the Cyprus issue, Mitsotakis said that the problem "requires genuine respect by Turkey for international legality and the respective resolutions of the United Nations".

He voiced hope that Turkey and the Cypriot Turkish side would abandon their "unyielding stance and will respond positively to the questions put by the U.N. secretary-general on the substance of the matter, i.e. the territorial aspect and the problem of refugees, so as to achieve a solution to the problem for the benefit of the two communities of Cyprus."

Talks Summarized

LD2207205691 Moscow TASS in English 2036 GMT 22 Jul 91

[Text] Moscow July 22 TASS—President Mikhail Gorbachev met with Prime Minister Konstandinos Mitsotakis of Greece today.

Describing the specificity of the present period in the world, Gorbachev pointed out that, just as in the Soviet Union, the Stalinist socio-economic model has suffered a historical defeat.

In international relations, this signifies the defeat of a model oriented towards the use of force, confrontation, and the arms race, he said.

The awareness of civilisation's integrity and of the interdependence of countries and peoples in the face of new, global problems enabled world politics to make great gains within a short period of time—in the field of disarmament, in the Conference on Security and Cooperation in Europe (CSCE) process which was crowned by the Paris charter for a new Europe, and in overcoming a number of regional crises, Gorbachev said.

Countries launched an unprecedented political dialogue which has already passed very difficult tests, particularly the Gulf war. The meetings in London recently set the beginning of a new type of economic cooperation as the basis for a new world politics, the Soviet president said.

Chances for consolidating positive trends are manifest. But special attention should be given to threats on their way, the more so as new institutions capable of effectively ensuring common security have not yet taken shape, he added.

There is still a lag in the creation of new mechanisms which would protect the CSCE process and operate in the interests of the entire Europe, not just some part of it, Gorbachev said.

Gorbachev and Mitsotakis shared their considerations as to how Soviet-Greek cooperation should be helped forward in the new international and internal situations, and how to add substance to the new stage of relations which opens up with an unprecedented treaty of friendship and cooperation between the USSR and Greece.

Mitsotakis laid special emphasis on possibilities in the fields of the power industry, shipping, and culture. And in the field of food as well, the Soviet president added.

Gorbachev and Mitsotakis discussed the situation in the eastern Mediterranean, in the Balkans and the Cyprus problem. The comparisons of views enabled them to draw a conclusion about the possibility of settling the chronic problem of Cyprus in the near future.

The Soviet president and the Greek premier also touched upon the issue of ethnic Greeks who are Soviet citizens, on new forms of their socio-political activity, the fulfillment of their cultural and spiritual requirements, and the creation of necessary conditions for that.

Bessmertnykh-Samaras Talks

LD2207183291 Moscow TASS International Service in Russian 1725 GMT 22 Jul 91

[Text] Moscow, 22 July (TASS)—Talks were held today between Aleksandr Bessmertnykh and Andonios Samaras, USSR and Greek foreign ministers. They were held within the framework of the official visit of Greek Prime Minister Konstandinos Mitsotakis, who is in our country at the USSR president's invitation. The ministers positively appraised the prospects of the Soviet-Greek cooperation which is developing apace. They stressed that the forthcoming signing, in the course of the visit, of the treaty of friendship and cooperation and other bilateral documents opened up qualitatively new opportunities for the deepening of the partner-like interaction between the Soviet Union and Greece, and brought Greece to the front-ranking group of our European partners. The course of the all-European process as a most important instrument for maintaining security and stability in Europe was assessed in the context of the discussion of international problems. A committed exchange of views took place on the issue of setting up effective mechanisms to form all-European structures and to establish an all-European security system. Particular attention was devoted to the situation in Yugoslavia. The ministers came out in favor of a peaceful, democratic, and constitutional way of tackling problems within the framework of a single Yugoslav state. They were against the destructive manifestations of separatism and nationalism. Examining the current state of affairs as far as the Cypriot settlement is concerned, the sides came out in support of the idea of holding an international conference on Cyprus to attain a firm and equitable solution of this problem on the basis of UN resolutions. A number of other international problems were also discussed. The talks were constructive. The ministers have agreed to continue contacts on the practical issues of the development and improvement of bilateral relations and of the evolution of the situation in Europe and the world.

Officials Discuss Pipeline to Greece

OW2307034091 Moscow INTERFAX in English 1830 GMT 22 Jul 91

["Diplomatic Panorama" report by diplomatic correspondents Mikhail Mayorov and Igor Porshnev; transmitted via KYODO]

[Text] The Soviet Union and Greece are discussing a deal on the construction of a pipeline from the Bulgarian border to Athens for Soviet gas exports to that country. The project to be handled by Soviet construction firms will be the largest of its kind yet in the history of bilateral relations. The issue comes high on the agenda of talks in Moscow on Monday between the Greek prime minister, Mr. Konstandinos Mitsotaksis, and Soviet officials.

Soviet foreign trade officials say this and other investment projects can help overcome the existing difficulties in bilateral trade by taking it on to a new level.

Although last year's bilateral trade ran at Rbl 430m [rubles], a slight increase on the year before, the two sides are unhappy over the present state of cooperation. Work is in progress over a number of projects which Greece wants to put in place in areas inhabited by Greek communities in the Soviet Union, including Krasnodar territory. Significantly, the intinerary of the Greek prime minister also provides for a visit to the town of Gelenjik on the Black Sea which was the venue of the first congress by Soviet Greeks.

One other issues on the agenda of taklks in Moscow is whether Greece can offer a $100m credit to the Soviet Union. The agreement to this end is mostly likely to be signed next month.

Ireland's Collins Arrives in Leningrad

LD2007184291 Moscow TASS International Service in Russian 1730 GMT 20 Jul 91

[By correspondent Nikolay Kondratenko]

[Text] Leningrad, 20 Jul (TASS)—At the invitation of the Soviet Government, Irish Foreign Minister Gerard Collins arrived today on an official visit to the Soviet Union. In Leningrad, where he made a stopover on his way to Moscow, he was met by Anatoliy Sobchak, the city's mayor, and other officials. Among those meeting him was Patrick McCabe, the Irish ambassador to the USSR.

Ireland is showing great and material interest in the USSR, and we hope that the changes taking place in your country will be successfully completed, the Irish minister stated. As far the European Community is concerned, according to the minister, the Irish side will try to convince the members of the community of the "successful future of the Soviet Union."

Touching on the London G-7 leaders' summit, the guest noted that its participants had drawn the attention of the Soviet Union to the obstacles it places against the arrival in the country of foreign guests, entrepreneurs, and businessmen. "As a member of the country's Supreme Soviet, I can say that we are now open both for business cooperation and for private visits, Anatoliy Sobchak said. In Leningrad we have set up a free economic zone with certain favorable conditions for foreign partners."

Remarking that he welcomes these steps, the minister said: "Your country's potential is colossal. I have the impression that it will develop much quicker than before." On Victory Square the guest laid flowers at the monument in Victory Square to the heroic defenders of the city during the years of the second world war. He also visited the hermitage.

The minister arrives in Moscow tomorrow.

Talks to Reporters

LD2207153191 Moscow TASS in English 1358 GMT 22 Jul 91

[By correspondent Aleksandr Kanishcev]

[Text] Moscow July 22 TASS—Irish Foreign Minister Gerard Collins's official visit to the Soviet Union is an important development in Soviet-Irish relations, Soviet Foreign Minister Aleksandr Bessmertnykh told reporters today after completing talks with his Irish counterpart.

The signing of three bilateral documents shows that "relations between the Soviet Union and Ireland are not static, they are developing," Bessmertnykh said.

The ministers signed a Soviet-Irish protocol on consultations, under which they will expand political consultations on key international and bilateral issues, an agreement on cultural cooperation and a declaration to develop economic, industrial and scientific cooperation.

"Our relations are expending," Bessmertnykh said, stressing that relations between the Soviet Union and Ireland are not "burdened by any tragic events."

"We have a vast potential and can achieve even more," he said.

The two ministers discussed European developments, including the CSCE process and new European structures, Bessmertnykh said.

"Analysing the Yugoslav issue, we discussed steps to contain dangerous developments in the country," he said.

They also discussed the situation in the Middle East, several other regional issues and relations between Ireland, the Soviet Union and third countries.

Bessmertnykh also told Collins about his impressions of the meeting between Gorbachev and G-7 leaders in London.

Collins welcomed the results of the G-7 summit, saying that Western leaders appeared keen to promote Soviet reforms.

The forthcoming visit to Moscow in September by British Prime Minister John Major and a meeting of G-7 finance ministers signal that G-7 leaders are committed to pledges made in London, Collins said.

Meets Shcherbakov

LD2207205891 Moscow TASS International Service in Russian 2006 GMT 22 Jul 91

[Text] Moscow, 22 Jul (TASS)—Vladimir Shcherbakov, first deputy prime minister of the USSR and minister of economy and forecasting, today received Gerald Collins, minister of foreign affairs of Ireland, who is in the Soviet Union on an official visit.

A committed conversation took place on the state and ways of expanding Soviet-Irish trade and economic relations. Both sides stressed their intention to make use of significant potential in this sphere. At the request of the Irish minister, Vladimir Shcherbakov informed him on the progress of and prospects for economic reforms in the USSR, shared his assessment of the results of the visit by USSR President Mikhail Gorbachev to London, and his meeting with the heads of seven leading Western countries.

Chernavin on Finnish Friendship Treaty

LD1907164891 Helsinki Suomen Yleisradio Network in Finnish 1500 GMT 19 Jul 91

[Text] Admiral of the Fleet V.N. Chernavin, commander in chief of the Soviet Navy, stresses the importance of the Soviet-Finnish Treaty of Friendship, Cooperation, and Mutual Assistance as a stabilizing factor in the north of Europe. In an interview with radio and tv news, Admiral Chernavin adds that the treaty must develop and take into account the changes taking place in the surrounding areas. The admiral calls on the leaders of the Baltic republics to observe the Constitution.

And this is what the commander in chief of the navy had to say about the friendship treaty:

The friendship treaty has always been and still is a very significant and stabilizing factor in the north of Europe. I would say that this exceptionally important treaty has not lost its significance, and it will remain significant, says Admiral Chernavin, commander in chief of the Soviet navy. He goes on to speak abiout the treaty, however, saying that no treaty concluded should be as if it were a permanent thing given to us for ever from above, but that it must naturally develop and take into account the changes in the surrounding areas. The nucleus, content, and significance of the treaty, the cooperation and good relations between our countries, have not lost their significance, says Admiral Chernavin. The admiral's statement has a slightly similar 'on one hand and on the other' tone as did Ambassador Yuriy Deryabin. He said in a recent interview with HELSINGIN SANOMAT that there is no reason to hasten to alter the military-political articles of the treaty, although Finland naturally has the right to propose talks on the matter. Admiral Chernavin does not say much about this matter: I do not revise or conclude the treaty; it is not my job.

Concerning the importance of the Baltic states for Soviet defense, Chernavin says that one part of the state does not affect the defense capability either more or less. Naturally it has a significance, in the same way as, let us say, some Finnish province has for the defense of the whole of Finland, says Chernavin, and he emphasizes that the leaders of the Baltic republics should observe the Constitution, as President Mikhail Gorbachev has urged them to do. It is the only right way, says the commander in chief of the Soviet Navy.

At the end of the interview Admiral Chernavin, with a twinkle in his eye, requested that he be allowed to put to himself the most important question, forgotten by the journalists: Admiral, how was your visit to our country? Very good, thank you, we are leaving Finland very satisfied.

Ends Visit to Finland

LD2007160791 Moscow TASS International Service in Russian 0791 GMT 19 Jul 91

[By correspondent Vladimir Dodonov]

[Text] Helsinki, 19 Jul (TASS)—The official visit to Finland by chief Navy commander-USSR deputy Defense Fleet minister, Admiral V.N. Chernavin, has ended.

The visit was undertaken within the framework of regular contacts between the armed forces of the two countries. The Soviet military commander was a guest of Finland's Naval commander, Rear Admiral Sakari Visa.

In the course of the visit, Fleet Admiral V.N. Chernavin was received by commander of Finland's defense forces, Admiral Jan Klenberg, visited Turku naval base, an artillery fort of the coastal defense guard, and the Perno shipyard, and toured the country.

EBRD President Attali on Aid to USSR

PM2207121991 Moscow IZVESTIYA in Russian 19 Jul 91 Union Edition p 5

[Report by unnamed own correspondent: "'The Question of Whether There Will Be Peace on Earth Is Being Resolved Today'"]

[Text] Paris—It depends on whether the USSR achieves success," Jacques Attali, president of the European Bank of Reconstruction and Development, believes.

"The Soviet Union, or rather Russia, is a country which has lived for centuries under conditions of dictatorship. And its integration into democratic society is a compulsory preliminary condition of its success. I do not think that it is possible to say: 'Transform your country and then we will help you.' There should be a different approach: 'Join our community of nations, which speaks one language and has the same moral values, and then you will unfailingly achieve results.' But time will be needed for all this and it will be necessary to overcome enormous difficulties."

This was stated by Jacques Attali, president of the European Bank of Reconstruction and Development (EBRD) in an interview with the Paris newspaper LIBERATION.

Soviet people view the forthcoming upheavals like chess players, J. Attali continued. They see that after 10 moves they could obtain a specific advantage but at the same time they realize that they will lose a lot even after the

first three moves... They are asked to agree on the distribution of power between the center and the republics but that is extraordinarily difficult. You can reduce budget expenditure but you must feed the population. They are advised to provide for extensive privatization programs but for that internal capital is needed and they have neither banks nor structures. They are told to make the ruble convertible, but they know that in that case their purchasing power will collapse. But they must do all this and agree to privations.

"I always tell my Soviet interlocutors," the EBRD president continues, "that the only way of learning to walk is to start walking. Imagine a man wreathed in fire standing next to a pool with almost no water in it. Everyone is shouting: Jump! You have no choice. He hesitates, and that is understandable, because he would like more water in the pool.

"The country is at the very start of a lengthy process. An enormous amount of work lies ahead. Inter alia it is necessary to create a new vocabulary, a new grammar, so that the same words (market, privatization) means the same thing for everyone. It is essential to abolish old structures. All these reforms cannot be implemented in a few days. Institutions are needed to insure that the market does not become a 'black' market...

"Above all," J. Attali stresses, "it is necessary to integrate the USSR into international institutions. Then to give those institutions the necessary financial funds. I am required to render technical assistance to the USSR, but for that I need money. The same applies to privatization... Finally, we must help the USSR create its own institutions which the country needs: political parties, trade unions, banks, a legal system, and so forth. And of course help take bold decisions: to create a central bank, introduce a federal tax and the convertible ruble, adopt a balanced budget, and substantially reduce military expenditure.

"Otherwise," J. Attali warned, "there is the danger of a 'nightmare cataclysm' on a planet-wide scale. The question of whether there will be peace on earth is being resolved today.

"We should not speak of 'aid' to the Soviet Union or of rendering 'assistance.' We must review the very terminology. I prefer to speak of cooperation and joint projects. We must create mutual respect... For us Europeans that is exceptionally important. perhaps in 20 years time gigantic chaos will threaten us. But at the same time there is a hope that we shall be able to double our market, to acquire an additional 300 million consumers. So we must speak not of aid but of interest... The market economy and democracy now function in accordance with a certain reverse 'domino theory.' And there lies our chance."

Meat Processing Venture With Germany Started

PM2207095591 Moscow IZVESTIYA in Russian 19 Jul 91 Union Edition p 2

[Report by correspondent N. Lisovenko: "German-Style Sausage and Soviet-Style Meeting"]

[Text] The foundation stone for a Soviet-German joint venture called "Aydaran-Myaso" has been laid in Kamenka village, Novopskovskiy Rayon, Lugansk Oblast.

In 18 months it is planned to construction a modern manufacturing complex here for processing 30,000 large horned cattle and 10,000 hogs. Some 120 people will cope with all the work. Every year they will deliver to the trade network 28 million standard cans of meat and 1,000 tonnes of sausages and from the waste they will produce bone meal, fat, and biological veterinary preparations. Most of the raw material for the Kamenka meat combine will be provided by the Engels kolkhoz, where up to 15,000 oxen are fattened a year, while the remainder will be supplied by neighboring farms on terms very much to their advantage.

H. Annuss, president of the association of private slaughter-houses, a representative of the renowned Krupp firm, which has assumed responsibility for equipment deliveries, and a group of journalists arrived at the kolkhoz [collective farm] from Germany for the stone laying ceremony. V. Kuznetsov, USSR consul general in Hamburg, came with the German guests.

I. Zaporozhets, chairman of the kolkhoz, noted that the bureaucratic obstacles which for four years have been an insuperable wall to the joint venture have finally collapsed and the reasons for that include the fact that H. Annuss has displayed colossal patience, has visited Moscow 20 times for the same purpose and has visited the Foreign Economic Bank 10 times.

The triumphal nature of the moment of the laying of the joint venture's foundation stone was in fact marred by the selfsame bureaucracy victory over which had been mentioned by the kolkhoz chairman. On the day the first stone was laid there was a fierce heatwave in the Donbass. The thermometer showed 40 degrees in the shade. And in this heat, on a specially erected semirsotrum where, of course, there was no shade, they placed the compliant guests and began to deliver long speeches.

If the Lugansk Oblast and rayon organizers of the "festival" had had even a slight knowledge of German they would have heard how their guests assessed their merciless oratory zeal. Another strange aspect of the ceremony was the arrival at Kamenka, accompanied by leading people of Lugansk, of former Ukrainian Prime Minister V. Masol, forced to resign last year under pressure from the democratic public.

Latin America & Caribbean

Gorbachev Greets Mexican President on Summit

PM1807145591 Moscow PRAVDA in Russian 18 Jul 91 Second Edition p 1

[M. Gorbachev greetings message to Mexican President Carlos Salinas de Gortari on first Ibero-American meeting of heads of state and government; date not given]

[Text] To His Excellency Mexican President Mr. Carlos Salinas de Gortari

Esteemed Mr. President!

I greet you and through you all participants in the first Ibero-American meeting of the heads of state and government of Latin America, Spain, and Portugal in Guadalajara.

The issues on this forum's agenda are evidence of Ibero-American countries' growing activeness in regional and world affairs and in resolving urgent problems of the day.

Held during the period of preparations for the celebration of the 500th anniversary of the discovery of America, this meeting and Spain's and Portugal's involvement in it mark your countries' desire to strengthen the traditional ties linking Europe with the American continent.

We are profoundly convinced that the meeting on Mexican soil will make a significant contribution to world processes of integration, democratization, and equitable cooperation with respect for originality and freedom of choice.

I wish your meeting every success and the Ibero-American countries and peoples well-being and prosperity.

With respect,

M. Gorbachev.

Official Views Summit

LD2007192891 Moscow TASS in English 1503 GMT 20 Jul 91

[By correspondent Yuriy Rublevskiy]

[Text] Moscow July 20 TASS—The Soviet Union wishes success to participants in the first Ibero-American meeting, now under way in Mexico, Vasily Gromov, deputy head of the Latin American Department of the Soviet Foreign Ministry, told TASS.

The Soviet diplomat pointed to the importance of the fact that heads of state and government of 19 Latin American countries, Spain and Portugal included in the agenda major problems dealing with the situation in Latin America and the world in general. In his opinion, this is evidence of the growing activity of Iberoamericans in regional and world affairs, as well as of their desire to strengthen ties between the American continent and Europe.

According to Gromov, it is very important that Cuba is taking part in the meeting, held shortly before the 500th anniversary of the discovery of America. It is the demonstration of the fact that Cuba remains in the family of Latin American countries, despite poitical and ideological differences with its neighbours.

The USSR is positive that the Guadalajara meeting will promote the processes of integration, democratisation and mutually beneficial equitable cooperation between countries, which are developing in the world, Gromov said.

Foreign Ministry on Summit

OW1707052391 Moscow INTERFAX in English 1230 GMT 16 Jul 91

[From the "Diplomatic panorama" feature; transmitted via KYODO]

[Text] The Soviet Union has closely followed integration processes in Latin America. If such processes are not closed, they are conducive to creating a global home on the principles of new political thinking. This view has been expressed by officials at the Soviet foreign ministry's Latin American department on the threshold of a summit opening on July 17 in Guadalajara, Mexico, in the framework of the so-called Ibero-Ameican comunity. The summit is expected to analyse prospects and opportunities for Latin American integration in the various fields in the framework of events launched to celebrate 500 years since America was discovered.

Soviet foreign ministry officials believe that the sense of solidarity and cooperation strengthening in Latin America is "an extremely interesting phenomenon". It doesn't mean a kind of confrontation with the U.S. which put forward its well-known Initiative for the Americas, also aimed at promoting integration in the Western hemisphere.

Interest in Latin America displayed by Soviet diplomatic circles is explained by the fact that the USSR and Latin American countries might become close partners in the foreseeable future. A search for the ways to achieve this is already in progress. For instance, the ways to expand trade and economic cooperation were discused at the recent Soviet Mexican summit in Moscow. The difficulties that have to be overcome stem largely from the fact that not only Latin America, but especially the Soviet Union, haven't got a firm foothold in the system of world trade yet.

Soviet Policies on Cuba 'To Remain Unchanged'

LD2107093391 Moscow All-Union Radio Mayak Network in Russian 0830 GMT 21 Jul 91

[Text] The Soviet Union's policy with relation to Cuba is to remain unchanged. Gennadiy Kiselev, member of the Presidium of the Soviet Union's Supreme Soviet, who is heading a delegation to the island of freedom at the invitation of the Cuban parliament, told this to a TASS correspondent in an interview.

CPSU Delegation Goes to FSLN Congress

PM1807141191 Moscow PRAVDA in Russian 18 Jul 91 Second Edition p 4

[TASS report under the general heading "Official"]

[Text] A CPSU delegation headed by P.K. Luchinskiy, member of the Politburo and secretary of the CPSU Central Committee, has flown to Managua for the First Congress of Nicaragua's Sandinist National Liberation Front.

Foreign Ministry Official on Salvadoran Talks

LD1807085491 Moscow TASS International Service in Russian 1421 GMT 17 Jul 91

[By diplomatic correspondent Konstantin Voytsekhovich]

[Text] Moscow, Jul 17 (TASS)—The Soviet Union positively evaluates the moves of the Salvadoran Government and the leadership of the Farabundo Marti National Liberation Front (FMLN) to work out mutually acceptable agreements. This is what a representatives of the USSR Ministry of Foreign Affairs said in conversation with a TASS correspondent on the latest round of talks that recently came to a close in Mexico between the Salvadoran sides.

Although the current round did not come to a close with the attainment of specific agreements, the diplomat noted, the statement by the FMLN leadership that in the course of the talks the sides made progress in discussing one of the key problems preventing settlement: the issue of the country's Armed Forces, which has attracted attention.

In the view of Moscow, said the Foreign Affairs Ministry representative, this is an indication that as previously, the sides are maintaining a course toward the political settlement of the crisis, with the understanding that a resolution of the tasks of national conciliation is only possible in this way.

He expressed the hope that the Salvadoran sides "will devote their energies to attaining a comprehensive political settlement, refraining from actions which could delay the quest for this."

Uruguayan Training Ship To Visit Leningrad

PM1507101791 Moscow KRASNAYA ZVEZDA in Russian 11 Jul 91 First Edition p 3

[TASS report under the general heading "Official Reports"]

[Text] In keeping with an accord reached, the Uruguayan Navy's training ship Capitan Miranda will pay an official friendly visit to the port of Leningrad 12-18 July.

CPSU Greets Guyana Party Congress

91P50243A Moscow PRAVDA in Russian 5 Jul 91 Second Edition p 5

[CPSU Central Committee Secretariat greetings message to the 24th Congress of the People's Progressive Party of Guyana; "To the 24th Congress of the People's Progressive Party of Guyana"]

[Text] Dear Comrades!

We greet the delegates of the 24th Congress of the People's Progressive Party of Guyana and wish you successful work and constructive decisions in the interests of the Guyana workers and the unity of the democratic forces of the country.

Political & Social

CPSU Program Aimed at 'Democratic Socialism'

PM2207190391 Moscow RABOCHAYA TRIBUNA in Russian 23 Jul 91 p 1

[Report by Yuriy Vetrov: "'Next Plenum Promises To Be Extraordinarily Important'"]

[Text] "The next plenum promises to be extraordinarily important," A. Dzasokhov, member of the CPSU Central Committee Politburo and secretary of the CPSU Central Committee, stated at a meeting with the NOVOSTI News Agency collective.

First and foremost, this will be because of the examination of the draft CPSU program drawn up in fulfillment of the 28th Congress decisions. The draft has been evaluated by numerous experts. Historians, political scientists, and journalists will find in it answers about the level of the democratic process. Having inherited peace-loving goals, the CPSU states at the same time that it will adopt reform positions aimed at raising the people's living standard and establishing humane, democratic socialism. In this regard it is a question of the concept of the peaceful development of future transformations, including within the party itself.

Here is one point. The new draft program—which is only aimed at the 1990s, incidentally—states that all atheists and believers can be party members. How will party fundamentalists, not to mention others, react to this?

Analyzing the current political situation, the Central Committee secretary convincingly highlighted the prerequisites for further civic harmony. As he put it, there is no alternative to them for the party. Today it is quite obvious that the waves of the workers' movement—above all, the miners' strikes—have brought with them the threat of paralysis.

Despite the complex situation in which the CPSU has found itself of late with a marked reduction in its membership, a counter process has emerged. Young people are joining the party. This year 70,000 people have joined it. The adoption of the new program will, in A. Dzasokhov's opinion, allow many members of society to choose the CPSU once they determine their political views.

Dzasokhov on CPSU Plenum, Party Future

LD2207205491 Moscow Central Television First Program Network in Russian 1800 GMT 22 Jul 91

[Interview with Aleksandr Sergeyevich Dzasokhov, member of the Politburo and secretary of the CPSU Central Committee, and chairman of the USSR Supreme Soviet Committee for International Affairs, by correspondent Viktor Lyubovtsev at the Novosti information agency in Moscow on 22 July; introductory paragraph read by announcer; from the "Vremya" newscast—recorded]

[Text] As we know, the next plenum of the CPSU Central Committee will be held on Thursday 25 July. There are grounds for many observers to believe that this plenum will be of decisive importance for the fate of the CPSU and for its leadership. Today a meeting was held with Dzasokhov, member of the Politburo and secretary of the CPSU Central Committee, and chairman of the USSR Supreme Soviet Committee for International Affairs, at the Novosti information agency in Moscow. He told correspondents about the situation in the country and in the party, and answered questions. Then he gave an interview to the Vremya program.

[Lyubovtsev] Aleksandr Sergeyevich, only a few days are left before the next CPSU plenum. It is not a secret that Party members as well as other people—nonparty members—are expecting this plenum with some anxiety, as it is known that there is a struggle between two tendencies in the party now. One tendency, roughly speaking is toward consolidation, and the other is toward delimitation. In your opinion, which one of them will gain the upper hand at this upcoming plenum?

[Dzasokhov] I must tell you that the plenum is a routine one, and at the same time it is not routine in its political significance, as a draft policy document will be examined against the background of the very disturbing political situation in the country and in the Party. I think in fact that the immediate future and long-term future of the party depends on the plenum's answer to this question. I believe that there are prerequisites for the plenum to give powerful signals to the party, as well as to society, that the party itself should close ranks on a modern sound basis which would allow the expectations of the party members to be met.

[Lyubovtsev] Namely the program of the party is to become the basis for unification? This program?

[Dzasokhov] Without doubt. Undoubtedly. But the opinion prevails that in connection with dynamic processes that are taking place in our society, the future program must be oriented toward the nineties.

[Lyubovtsev] At the nearest decades?

[Dzasokhov] Absolutely correct. It spells out principles, goals, on whom the Party is oriented, and the great and serious matters—our draft is connected, so to speak, with the tasks of the party itself. It is necesary to listen to the opinions of all comrades, and to demonstrate unstintingly the strength and the will to find the right answers to very profound questions which life poses.

[Lyubovtsev] What is your attitude to the demands—they can be heard now in various party organizations—that an extraordinary party congress should be convened?

[Dzasokhov] You see, the matter is that the formulation of this question has something in common with the decision of the congress itself, as the congress predetermined that it is necessary to elaborate a draft program, and then at the final stage to examine it at an All-Union Party conference. That is why the forms for examining the future program also depend on what version is selected for implementing this goal, both by the plenum of the CPSU Central Committee and by the Program Commission. I think that the formation of positions with regard to this issue should be done on the basis of responsible approaches, so that we go for it deliberately, while aware of the responsibility for the mission of the All-Union Party forum in this or that form.

Gidaspov Cited on Gorbachev Leadership Position

PM2207190991 Moscow KRASNAYA ZVEZDA in Russian 23 Jul 91 First Edition p 1

[Report by Captain First Class A. Zlydnev under the "Direct Line" rubric: "B. Gidaspov: 'Young Leaders Needed...'"]

[Text] Leningrad—B.V. Gidaspov, secretary of the CPSU Central Committee and leader of Leningrad's Communists, has held a press conference at the Smolnyy at which he answered dozens of pointed questions from journalists.

Expressing his view of the idea—which is being raised again—of relieving M.S. Gorbachev of his post as general secretary of the CPSU Central Committee, Boris Veniaminovich said that he is against raising this question. As for I.K. Polozkov, first secretary of the RSFSR [Russian Soviet Federated Socialist Republic] Communist Party Central Committee—given the mistakes he has made—it is necessary to think about changes in the Russian Communist Party leadership. Like the leadership of the CPSU, it should be renewed with young and more energetic leaders.

The first secretary of the Leningrad Oblast Party Committee commented as follows on the statement from the "nine" calling for the creation of a democratic reform movement: There is no democratic reform movement as such as yet, there is just a declaration which largely iterates the documents of the 28th CPSU Congress. Nonetheless, I am against categorically rejecting their statement. If this movement gains strength and really advocates civic peace and harmony, it should be supported.

Rutskoy Favors Party of Russians Within CPSU

LD2207145391 Moscow All-Union Radio First Program Radio-1 Network in Russian 1400 GMT 22 Jul 91

[Text] A news conference by the Organizational Committee of the internal party movement Communists for Democracy took place in Moscow today. Rutskoy, head of the Organizational Committee and Russian Soviet Federated Socialist Republic [RSFSR] president, stated that a constituent conference of this organization will be held in Moscow from 2 to 4 August. The delegates of the party forum are to decide on its name, to adopt draft rules and other documents, and to elect provisional leading bodies. Having levelled accusations at Polozkov, first secretary of the Central Committee of the RSFSR Communist Party, and Prokofyev, leader of the Moscow communists, about their activities leading to a split in the party, Rutskoy spoke in favor of the creation of a Democratic Party of Russian Communists not within the RSFSR Communist Party but within the CPSU.

Aliyev Explains Resignation From CPSU

LD2107001691 Moscow Radio Rossii Network in Russian 2055 GMT 20 Jul 91

[Text] Geydar Aliyev announced his resignation from the CPSU on 19 July. Let us remind you that Aliyev joined the Communist Party in 1945. He was a CPSU Central Committee member in 1971-1989. From 1982 to 1987, he was a member of the Politburo. He worked for a long time in the state security bodies. He was the chairman of the Azerbaijan KGB, then the first secretary of the republican Communist Party. He remained at this post for 13 years. For five years he was first deputy deputy chairman of the USSR Council of Ministers. He was one of closest comrades-in-arms of Leonid Brezhnev. He was twice awarded the Hero of Socialist Labor.

In 1987, he was released from top party and state duties in connection with his retirement on a pension. However, he did not abandon active political life. He was elected as a deputy of the Azerbaijan and Nakhichevan Autonomous Soviet Socialist Republic parliaments. Now, the statement of resignation from the CPSU. We telephoned Geydar Aliyev, and he read the statement on his resignation from the party, which says, in particular:

[Begin Aliyev recording] The main reasons which prompted me to take this step are following: It was as early as 20 January 1990 that they appeared in connection with the military aggression against the Azerbaijan people carried out by the political leadership of the center and the Azerbaijan Communist Party Central Committee. As a result of the January events, hundreds of innocent civilians were killed or injured, including old men, women, and children. Numerous appeals by people's deputies, the Supreme Majles of the Nakhichevan autonomous republic, by various groups of citizens and prominent intelligentsia figures to establish the culprits of the January tragedy and punish them have been persistently rejected by the communist leadership of Azerbaijan. A year and a half has passed. Not only has nothing been done to solve this appalling crime, the culprits of which have long since been known, but, on the contrary, all necessary measures are being taken to keep it secret.

The second: As a result of the hypocritical policy of the center, a sharp conflict situation has persisted in the Nagorno-Karabakh Oblast of Azerbaijan for more than three years. Azerbaijan's sovereignty and territorial

integrity were flagrantly violated, in disregard to the constitution. I am convinced that if only the party leadership wanted it, the interethnic conflict could have been prevented, as early as 1987-88.

The third: A wide democratic movement which began in Azerbaijan in 1988 is being persistently suppressed by the efforts of the Azerbiajan Communist Party Central Committee, led by the CPSU Central Committee. I have raised all these issues in my speeches many times, and proposed that the Azerbiajan Communist Party, which has completely lost its authority among people, give up its monopoly on power and ensure conditions for free activities by all political forces, based on equal rights.

All this made me take an extreme step and announce my resignation from the CPSU. [end recording]

Let me remind you that these were the excerpts from the statement on his resignation from the CPSU by Geydar Aliyev, who read us this statement over the phone.

Laptev on Democratic Reform Movement, CPSU

LD2207213191 Moscow TASS International Service in Russian 1355 GMT 22 Jul 91

[Text] Moscow, 22 Jul (TASS)—The appearance in Soviet society of the Democratic Reform Movement is a natural thing, considers Ivan Laptev, co-chairman of its council and chairman of one of the chambers of the Union Parliament—the Soviet of the Union. He gave an interview to TASS political observer Sergey Kolesnikov, which is published in the TASS weekly newspaper VOSTOCHNYY EKSPRESS [Eastern Express].

"I don't think anyone can fail to ask the question: how successful are the reforms which were declared in 1985, and which following the Congress of USSR People's Deputies became official state policy? Of course there are few people to be found who would be satisfied with what [passage indistinct] all who do indeed think about the destiny of the country to engender both concern and the desire to further the implementation of this state policy. It is precisely this that has brought it about, not political circumstances, and not a desire for confrontation which some of the groups of opponents that have arisen so quickly try to ascribe to the movement," Ivan Lapev stressed.

Answering a question as to whether the movement is not some kind of attempt to implement, within the framework of a new political association, what it proved impossible to do according to the design of the initiators of perestroyka within the framework of the CPSU, Ivan Laptev said: "If the Party had been able to ensure the implementation of those plans which animated its activity in 1985- 1986, then there would be no need for this movement. But that did not happen".

Speaking about the future organizational forms of the Movement, Ivan Laptev noted that in its council there are people who believe that the movement must be created as a party straight away. "I consider that approach to be premature and therefore ineffective", he said, adding that a majority of members of the Democratic Reform Movement adhere to his viewpoint on this issue.

KGB Foreign Intelligence Deputy Interviewed

PM2307084591 Moscow KRASNAYA ZVEZDA in Russian 23 Jul 91 First Edition p 3

[Interview under the rubric "Topical Interview" with Lieutenant General V.A. Kirpichenko, first deputy chief of the KGB First Main Directorate (Foreign Intelligence), by Vitaliy Ilin, date and place unspecified: "From the Foreign Intelligence Standpoint"]

[Text] This sphere of any state's activity is the most closed to the general public, which is entirely natural. Just as it is natural for each of us to want to know "a little something" about this sphere. That is why the editorial office is providing a platform for Lieutenant General V.A. Kirpichenko, first deputy chief of the KGB First Main Directorate (Foreign Intelligence), who has agreed to answer a number of questions of interest to readers.

[Ilin] New political thinking and the concrete steps by the USSR in international affairs have led to important shifts on the world stage. I will not list them—they are common knowledge. I will merely note the most substantive change, in my view, which was enshrined in the Paris Charter for a new Europe. This is the fact that the era of confrontation is over and henceforth relations between states will be based on mutual respect and cooperation. Vadim Alekseyevich, how does Soviet intelligence view the processes taking place in the world?

[Kirpichenko] Great changes which inspire hope for a better future have indeed taken place in the world. The threat of war has noticeably diminished, and there is less suspicion in East-West relations. We sincerely welcome the efforts being made by politicians both here and abroad to reinforce these positive shifts in the international arena. Only can we agree that you won't be predisposed to suspect me, much less the intelligence service, of wanting to recreate the "image of a foreign enemy"? Let's take a sober view of things: An acute competition is under way in the world between states for political and economic influence and for the defense of national and other interests—which are often in direct conflict with their partners' interests. This picture is far from idyllic. And, as we return to what is called the world community, this needs to be clearly recognized.

Our country is still really weak in economic terms. That is why it is extremely important to know what people actually think of it in official circles and, above all, what is being done behind the facade of friendly declarations and what aims are being pursued. Soviet intelligence obtains special information on these questions in order to report back to the country's leadership.

[Ilin] What, according to your information, is happening behind the diplomatic scenes on both sides of the Atlantic?

[Kirpichenko] You will realize that I cannot quote information obtained in the course of our operations. But I can say that the actual plans and operations of the Western special services and subversion centers are sometimes notably different from the statements made by those countries' political leaders. Western intelligence representatives sometimes speak out quite frankly on these issues. We naturally monitor these publications and check the information against other information at our disposal. I am prepared to share some of this "open" information with your newspaper's readers. It is quite eloquent.

[Ilin] It would be naive to suppose that the "secret war" is over. But it may have changed in some way. Has it taken on a different form?

[Kirpichenko] Unfortunately, in some areas the Western special services and information and propaganda organs are stepping up their subversive activities against the Soviet Union. The CIA, for instance, considerably increased its appropriations for human intelligence against the USSR in 1990/91 compared with the previous year. Its spending on "covert operations" has increased too. Revealing their essence, R. Shults [name as transliterated], a member of the U.S. Defense Department special operations consultative group, recommends that the favorable conditions of the atmosphere of democracy and glasnost in the USSR be utilized to make a careful study of opposition elements and reveal the real reasons for the population's discontent and the tension in national and religious questions in order to provide support and help to certain forces through both overt and covert channels.

There is a widely held view among U.S. intelligence officers that "there can be no detente in the intelligence war." The activities of the U.S. and other foreign intelligence services in their work on the Soviet Union confirms this view.

I would also quote the following piece of evidence. D. Boren, chairman of the Senate Committee on Intelligence, directly stated in one of his articles: "Now is not the time to be thinking about dismantling the U.S. intelligence services or calling for crazy budget cuts." As CIA Director W. Webster put it, "around half of all U.S. intelligence resources are currently spent on the intelligence effort against the USSR and China."

[Ilin] Vadim Alekseyevich, I would like to know your opinion of the following specific problems: What, in your view, is the most important aspect of intelligence officers' work? Do our intelligence officers differ from their CIA counterparts and, if so, how does this difference manifest itself?

[Kirpichenko] However paradoxical it may seem, I would say that the activity of both services is based on patriotism and love of one's country. That is obviously the main thing in the work of both special services.

As for the characteristics of the work, they differ. It seems to me that Soviet intelligence officers work more thoughtfully and more selectively, carefully weighing up the expediency of approaching various individuals. The Americans have, shall we say, a blanket approach to acquiring sources of information from among Soviet citizens who are privy to secrets. We note the very large number of approaches made by staffers of the CIA and other special services to Soviet citizens abroad. Sometimes these approaches are prompted by nothing—that is, our people receive an overt offer to stay in the United States or to work for the CIA. Such offers are sometimes made to people who actually know very little. That is the scale, the totality, and the aggressiveness, if you like, of CIA methods. It obviously has two aims—on the one hand, to acquire a source at low cost, through a direct and unexpected approach. On the other, to reduce the effectiveness of our own intelligence officers and, as it were, frighten them with the general, indiscriminate attack on our ranks.

Talking about Soviet intelligence officers, I would note their high professionalism. It is made up of very many components: the intelligence officer's training as a psychologist, as a country specialist, and as someone with expert skills in the forms and methods of intelligence work.

The concept of professionalism covers a wide range of forms and methods of work. But human qualities are extremely important. Of course, people who are sullen, uptight, or nervy cannot work in intelligence. Our job—and this cannot be overemphasized—requires simple sociability, charm, composure, and an attractive personality. Conversations with foreigners, you will realize, never start with intelligence information. Or with purely political matters. The talk will start out being about news, a new show perhaps, hobbies, or the ups and downs of everyday life. Intelligence officers have to be good and interesting conversationalists. This is possible when intelligence officers are themselves interesting people of substance. Then it is easy for them to establish contacts. And without even going as far as to establish some specific, secret relationship, they can simply obtain interesting information through conversation.

[Ilin] Apart from the CIA and the DIA, other Western intelligence services collect information on the USSR too. What can you say about this side of their activity?

[Kirpichenko] It is not just U.S. intelligence which is interested in what is happening in the Soviet Union. A secret group of experts—the leaders of intelligence departments [otraslevyye razvedki]—was set up in London in March 1990. Its sole task is to "regularly evaluate the means of pressure being brought to bear on the Soviet leader." We have even recorded special service activity on questions such as the influencing of

public opinion in our country on the problem of Soviet-Japanese relations. There was disinformation about the USSR's readiness to make concessions, about enormous loans being granted to the Soviet Union in exchange, and so forth.

Many countries' intelligence services regularly prepare analytical documents assessing the various aspects of perestroyka, the state of interethnic relations, and the plans for activities by various movements and organizations. There has been a notable increase in the foreign special services' attention to the gathering of information on our defense, scientific, and technical potential, stockpiles of strategic raw materials and food, and the size of our foreign exchange and gold reserves.

[Ilin] What role did U.S. intelligence play in the Gulf conflict? What can we learn from the Americans as regards that situation?

[Kirpichenko] If we're talking about the role of U.S. intelligence in the Gulf conflict, it's probably hard to say anything positive. It strikes me that the CIA was caught napping by Saddam Husayn's invasion of Kuwait (it came as a complete surprise to the U.S. special services). Second, the Iraqi military command succeeded in concentrating its forces in the territory and hiding some combat hardware—specifically, missile launchers—in special shelters. And, despite the massive bombing of Iraqi military targets, many of them were essentially untouched. Most probably the CIA did not have a sufficient number of sources, although it tried to have as many as possible on Iraqi territory. This can be explained by the general anti-American mood both in Iraq and in many of the adjoining countries of the Near and Middle East. Anti-American sentiments there are understandable. The Arabs are scared that the Americans will stay in the region as a punitive force forever—all of this naturally made things harder for U.S. intelligence both in Iraq and in many adjoining countries.

Soviet intelligence is drawing quite definite conclusions from the CIA's failures. We rule out—and, in any event, should rule out—a situation whereby we would be unaware of an impending conflict somewhere near our borders. We are obliged to know everything and warn our leaders in good time. That, it seems to me, is what the CIA failed to do for its leaders.

[Ilin] Is W. Webster's departure as CIA director connected with this failure? What do you think?

[Kirpichenko] At any rate, it could have been a factor, since the CIA has come in for some criticism—not least for failing to apprise its leaders of all the details and facts connected with the conflict in the Gulf.

'Amateurs' Frantic Criticism' of KGB Rebutted

PM2207142391 Moscow MOSCOW NEWS in English No. 25, 23-30 Jun 91 p 15

[Article by "KGB official" using the pseudonym Vyacheslav Artemov: Knights of the Sword Again"; first three paragraphs are unattributed introduction]

[Text] This article is essentially a reply to "A Time Bomb", an attempt at a political portrait of the KGB by Yevgeniya Albats (MN [MOSCOW NEWS] No. 1, 1991).

While the editors do not agree with the author's many views, they are happy to note that this frank opinion by a KGB official is the first response to many of MN's publications dealing with the history and today's workings of the Soviet state security agency.

The author wrote under an assumed name due to the nature of his position.

Glasnost, whose flood gates were opened by perestroyka, let most of the people in this country learn things they were never told. True, overwhelmed with euphoria of discovery of real treasures of human thought, profound and sincere pondering on the fortunes of the homeland, we fail to see torrents of press reports after reading which one wants to wash his or her hands with soap. Let's attribute this to a failure of our young and growing democracy. As for us KGB people glasnost has given us a change to take a detached look at ourselves as it were: literally all publications - from the government's semi-official press to a paper for pet lovers - consider it their duty to say what they think about the KGB. Some journalists have started to specialize in writing about the KGB. For some reason, most of them are representatives of the fair sex. Nowadays they are facing a competition from former KGB operatives, some in a hurry to repent, and some wanting to score political points.

When I read yet another opus about the KGB which "has on its hook" the government, torpedoes perestroyka, etc., I try to suppress my irritation, and even try to see why the authors are so frankly unkind and angry at the special service of their own country, why journalists and political scientists compete with each other in polarizing the KGB and society, which makes its members feel like pariahs, "enemies of the people" in the era of perestroyka.

The burden of the past crimes of the OGPU-NKVD [Unified State Political Directorate-People's Comissariat of Internal Affairs] is so heavy that it appears to dominate the consciousness of our intellectuals, including journalists. Those crimes are beyond forgiveness. But why doesn't a single serious journalist try without prejudice to discover the difference between today's KGB and its predecessors? Stalin succeeded to finally make his dream come true about creating "an order of the knights of the sword" by changing this special organization created by the revolution: from a

tool of the dicatator-ship of the proletariat he made it an instrument of his personal power. The results of this tragic change are well known. In Lubyanskaya Square, where the monument stands to the founder of the Cheka-KGB, Feliks Dzerzhinskiy, there is also a memorial to its victims. Why do our journalists delight so much in reporting confessions of former Cheka men A. Khvat, "exposures" by O. Kalugin or "repentances" by Ya. Karpovich, while almost never speaking about the Kedroves, father and son, who, together with 20,000 Cheka men, shared the tragic fate of our people? This means that even then the "knights of the sword" had honest, conscientious people among them who rebelled against the dictator. I'm not trying to justify the NKVD, but one ought to show a maximum of accuracy and objectivity in studying such a complex and contradictory phenomenon as our organs of state security. Those who write about the KGB quite often quote Western sources. All unbiased people cannot recognize that the present KGB officials are doing a lot to let our people know all that they are supposed to about the workings of the Committee. Admittedly no objective history of the Soviet security organs has yet been written. This is perhaps because, like any secret service, it has its inhibitions. The book most often quoted is Christopher Andrew's *KGB. The Inside Story*, he wrote about it together with Oleg Gordiyevskiy. It is freely admitted in the West that British secret services had controlled the selection of material and political angle of the book. Let's not blame Soviet journalists: in the final analysis, all are free to look for the truth wherever they find it suitable. Let's also be fair: finding the truth here at home isn't easy. What is disturbing is the importune attempts to justify Gordiyevskiy treachery, the use of the most improbable arguments - ranging from political expediency ("Gordiyevskiy is a pioneer of perestroyka in the KGB") to the Freudian ("Gordiyevskiy had an oedipus complex as regards his motherland"). I dare to contend that Gordiyevskiy, who I was personally acquainted with, was a rather prosperous personage of our system. He got out of it the maximum of benefits, but must have wanted more, and he signed up to work for the British intelligence. He betrayed his country, family, children, his associates. He didn't betray socialist ideals; he simply didn't have any. By any standard: Western or God's, Gordiyevskiy is a traitor, and attempts to justify him are immoral.

My initial impression was that discussions on the role and place of secret services were part and parcel of our society's passage from totalitarianism to democracy, and as such it should be welcome. But the bigger the land slide of KGB publications, the clearer is the fact that the best thing many authors hope for is to stake out their ground on the "Lubyanka Klondike" and to make up for their missed scoops and exposes. OK, I try to come up with some explanation for this: our journalists had been kept on a diet of half-truths for much too long. But now that there are real opportunities to write objectively about the KGB and help this organization be of maximum use to the people, why don't journalists and political scientists turn to professionals for advice rather than to "experts" who, out of vanity or a desire to square accounts with their former associates, hand out falsehoods, many of which, I must admit, are attractive to the average reader.

What is the present generation of Cheka men supposed to repent of? I'll be making no mistake saying that two-thirds of them were born after Beria had been shot. Incidentally, why didn't it enter anyone's head to demand that the USSR Ministry of Foreign Affairs repent for the fact that the tsar's diplomats sold Alaska to the Americans? What is meant by repentance? To go out into a city square and tear open one's shirt at the chest, like Russian merchants of yore? There is hardly any need for this sort of collective exaltation [as published]. This would not be a catharsis but only more misery. The best repentance, if this should be the word, would be the creation by joint efforts of conditions in society which could preclude the repetition of the past excesses.

As someone who has been in the state security for nearly 30 years, I, to put it mildly, am amazed at the capacity of those writing about the KGB to create myths. I cannot, for example, see the logic of those alleging that the KGB started perestroyka but later seeing that the process might harm it, wanted to scuttle it. The myth hinges on the allegation that the KGB has a monopoly of information, that it juggles the information to misinform the President. I dare say that the KGB (unlike the CIA) has never had a monopoly on information. The President, and, before that, the General Secretary of the CPSU Central Committee, and the government get information through many channels including the Ministry of Foreign Affairs, TASS, the Main Intelligence Administration, the Ministry of Foreign Economic Relations, the Academy of Sciences, the party and government bodies, and other agencies. The KGB has no hand in its processing and screening if this happens in this country at all. Decisions based on the information received are made by the President or the prime minister without any participation of the KGB. To put the record straight in conditions of perestroyka it has become possible for the KGB to report about what really happens inside and outside the country without having to cater to someone's tastes, moods, health conditions. These reports often may not please some part of today's limitless political spectrum I have no doubts that most of those who invent and spread myths about the KGB's omnipotence, its plans for a coup, etc., know very well that their contentions are fantasies, to put it mildly. What they really accomplish is to embroil the KGB in a quarrel with the President, prime minister and the public. Thus this topic is not used to cleanse our life, it is used as a tool of political struggle.

I think that one of the main functions of the State Security Committee should as before be the gathering of intelligence abroad. The need for this activity remains axiomatic as long as our country has its own state interests. Of no less importance is its function to cut short foreign intelligence services plans to undermine

our political, economic, scientific, technological and military interests. The remarks by new CIA director Robert Gates confirm this. Especially topical at this stage are the problems of combatting terrorism, organized crime and drug trafficking. The KGB can contribute to it in a big way relying on its considerable operative and technical potentials and think tanks.

Protection of our constitutional system is a special concern of our Cheka. What I have in mind is not the suppression of dissent, evaluation of works of art, gathering of incriminating information about various political parties or banning the spread of religion. An end to these practices has been put forever, I'm sure. But those who create armed units, buy weapons, and compile lists of persons to be liquidated, etc., aren't they a threat to our constitutional system? Can a society with an indistinct for a self-preservation afford to wait till all its members are mature enough to regulate relations between themselves and the state in a civilized way? This is only a dream at this stage.

It would be naive to suppose that the Committee can solve all these tasks using the methods and means of a charity organization. One should put it straight: as in the past, the KGB would have to rely on secret collaborators (you may call them informers, agents), operatives and technical and other means typical of an organization of this kind. There is nothing shocking in it for a normal person not blinded by political ambitions. The problem, I think, is that mechanisms still need to be designed as soon as possible to enable the Supreme Soviet, the government, to have control and to preclude the slightest abuse by the above hard-hitting arsenal: so that it doesn't infringe upon the interests of any individual or group of individuals or do anything detrimental to the interests of the state and the people. Present generation Cheka people want to live and work in full compliance with the law, and to abide by the law alone. This is why we watched with anxiety the raising of obstacles in the path of the Law on the Organs of State Security in the USSR. Some people were very anxious to see us remain in the same "lawless" position so that there always will be a scapegoat.

It is exceptionally important to create an atmosphere in society which generates respect for the law rather than fear of it. Sometimes I think that the appearance of many articles and pamphlets about the KGB is indicative of a lingering fear, a syndrome where the cause of fear is fear itself. In some individuals this is an ingrained fear, others try to fan this fear for all they are worth. It's worth recalling Montaigne's words, only slightly misquoting him: people are tortured not by things themselves but by the impressions they have created about them or have imposed on others. As integral parts of the state, special services are formed in conformity with the type of state, and change together with it. Being part of society, we unfortunately could not avoid becoming tarnished by its vices, except perhaps that some of these vices are not so offensively manifest in the Committee. But we can't accept amateurs' frantic criticism. As our country moves away from totalitarianism and towards democracy, its special services are moving with it. As for those who stubbornly picture the KGB as a new enemy, they are only trying to prolong this fear. By doing so they prod society and us Cheka people back into the past. And they are playing into the hands of those who are quite willing to go back to the terrible year 1937.

KGB Meeting Discusses Organized Crime Threat

LD2307085691 Moscow TASS International Service in Russian 2110 GMT 22 Jul 91

[Text] Moscow, 22 Jul (TASS)—As the KGB public relations center reported today, an expanded session of the collegium of the USSR Committee for State Security was held on 20 July, with the participation of heads of the state committees and administrations responsible for the security of republics, krays, and oblasts. At the meeting the state of the struggle against a dangerous sociopolitical phenomenon—organized crime—and measures to increase the fight were discussed.

The report by D. Lukin, head of the USSR KGB directorate for the fight against organized crime, and contributions by those attending emphasized that the activities of ciminal organizations are turning into one of the serious factors creating a threat to the stability and security of our state and hampering reforms in the country. The concentration of considerable funds in the hands of dealers in the shadow economy, and their close association with corrupt officials and with leaders of the criminal milieu, are giving rise to major criminal formations capable of monopolizing whole areas of the national economy and of influencing the political and economic situation in the regions. The situation is substantially worsened by corruption, which has infected individual links in the administrative bodies. The scale of this is growing and brings the danger that influential people in the shadow economy might penetrate the structures of power, and that a mafia could emerge in the country. Thus, the fight against corruption has become one of the leading areas in the work of the USSR KGB and other law enforcement bodies.

Organized crime is becoming more and more politicized and is actively looking abroad. The scale of violent group crime is increasing, and illegal acts are committed with particular cruelty. This is particularly characteristic in the weapons and gaming businesses and in narcotics trafficking. Taking advantage of loopholes in legislation, organized criminal structures have, in essence, created a shadow import-export system and are actively trying to penetrate the banking network. [passage indistinct]

Prosecutor Interviewed on Crimefighting Problems

LD2207191891 Moscow Central Television First Program Network in Russian 1520 GMT 22 Jul 91

[Interview with (Aleksandr Vasilyevich Sboyev), head of the Directorate for Investigating Cases of Particular

Importance of the USSR Public Prosecutor's Office; place and date not given; live or recorded]

[Text] Quite recently the investigations section of the USSR public prosecutor's office was renamed the directorate for investigating cases of particular importance. This change served as the grounds for meeting (Aleksandr Vasilyevich Sboyev), head of the new subdivision.

[Sboyev] This was done by a decision of the government in order to strengthen work in the struggle against crimes arising on interethnic grounds and in general against cases of mass disturbances and other major manifestations, so to speak, where a lot of people are suffering.

[Interviewer] How would you classify these particularly dangerous crimes, putting them into their different categories, so to speak?

[Sboyev] In the main, unfortunately, we have to deal with these interethnic relations. They turn things upside down as far as we are concerned. Take the Osh Oblast, for example. Several hundred criminal cases cropped up all at once. In the Osh Oblast we investigated 326 criminal cases and launched criminal proceedings against more than 300 people. At the present time about 100 cases are under examination by the Kyrgyz courts. I will put it bluntly, this is a problem, it is an avalanche that has hit the Kyrgyz courts. They are not capable of sorting things out and investigating and examining these cases promptly.

Comrade Lushchikov, USSR minister of justice, said on one occasion that the time has come to set up federal courts for such extreme situations. I support that idea. We need it. We have built up a certain experience in the investigation of these interethnic relations and these mass disorders, and I have to say that not everything is going well in these matters. What strikes one first and foremost is the fact that things are not being dealt with as quickly as they should be. In particular the USSR public prosecutor' office issues orders. Unfortunately the other departments have not yet started to formulate all of this by means of orders. The practice of the Ministry of Internal Affairs boils down to the duty-tour method, in other words they arrive for two or three months, they do their work, they abandon the cases, they go away, new people come. When the new investigator who has arrived has got into things and read himself in and sorted things out, you look and see that it is already time for him to move on. Of course this is a humane way of doing things for the investigators of the Ministry of Internal Affairs—but for the job in hand it's disastrous. The cases suffer. And this does not take into account the fact that, to be quite frank, the Ministry of Internal Affairs sends there investigators who are far from properly qualified. In such circumstances they carry out a total mobilization: They call in people from academies and colleges, the fire brigade, so to speak, from various scientific research institutes, they make appointments and they send out investigators but they get there and they don't know how to conduct an investigation.

[Interviewer] You could describe this as the formal aproach.

[Sboyev] You could describe it as the formal approach because the benefit from such people is very small.

[Interviewer] Aleksandr Vasilyevich, interethnic relations are the product of political battles; but no doubt here is also a product of the economic decline of our state.

[Sboyev] We are now dealing with a couple of criminl cases involving killings by hired people, in other words we have already reached a point in our country where mercenaries have made their appearance. We start dealing with a case—in Tushino, say, they discovered a body in a stream near Tushino. They pulled out the body of young man, his hands tied, his legs bound, with weights tied to his body with wire. They established that this was a former member of the staff of the USSR Ministry of Foreign Affairs, where he had worked as a consultant. Earlier he had worked abroad, though from 1989 he had gone to work in a cooperative. And in this cooperative they did not divide out the credits they had from the state, and in order to get rid of an extra person with whom they had to be shared, the accomplices hired appropriate people who killed him for 20,000. But here arises the economic question you are asking about. These people, these cooperative members, obtained several million rubles in our own Soviet money from our foreign economic banks and other industrial banks—they say they are not worth very much today, but nevertheless it is a question of millions. The question is this: How can these cooperative members get hold of millions of rubles so simply and so easily? Someone else—a poor pensioner—struggles hard and has to turn up dozens of times in order to get his miserable pension because he is short of this paper, then that paper. But the cooperative members get millions of rubles, they spend them and then they kill their own confederates in order to get hold of all of this money. This is the economy.

The second instance is also connected with economic issues. One of the mafia chiefs, a local man, was killed with a pistol in broad daylight in front of people, before an astounded audience, as they say, in the Andizhan Oblast in Uzbekistan. The relatives and friends of the man who had been killed hired some bandits from the Moscow Oblast—and there's a whole group of them there—this we are now establishing—and they offered them 40,000 to carry out the murder. The criminals from the Moscow Oblast look for these murderers and find them on holiday and hiding from reprisals at a santatorium in Yalta. There they killed them. Later it is established that they were sharing out their spheres of influence. They exacted tribute in respect of the park of culture and various other audience venues, video salons and so on, and the process of sharing out the economic influence and the spheres of influence in order to get as

much money as possible led to them making short work of each other in the same way that we see them doing in the films in Sicily.

[Interviewer] Can this be described as a new manifestation for our criminal world?

[Sboyev] I think it is a new manifestation. In the past we did not have hired killers, or at any rate they were only isolated cases. Now, unfortunately, they are being encountered more and more often.

[Interviewer] And are the law enforcement bodies ready to meet this new wave of crime?

[Sboyev] Of course we are preparing for it. We have joined Interpol. That's no longer news, its known about. We are creating our own operational departments, so to speak, we are training people, we are taking steps to improve the level of organization of the work. But I have to say that the criminal world is not standing idly by. They have motor vehicles which are considerably better than ours. There are even radio receivers with the aid of which it is possible to listen to what is being said in a motor vehicle at a distance of 100, 200 or even 300 metres. We don't yet have such equipment.

[Interviewer] They have sometimes started to accuse you of various kinds of politicking.

[Sboyev] That kind of complaint has been made against us only in one case, when we said something about the launching of a criminal case about the 140 billion rubles. I don't want to return to that topic now because it's already been spoken about. There was a statement recently made by the USSR procurator general about this. Everything was set out there. The investigation continues. I don't know what other political cases could be ascribed to us. We are engaged in the fight against crime.

[Interviwere] In order to confirm the effectiveness of this fight, could you mention any cases which are now at the stage of being prepared for court?

[Sboyev] We have just handed over to the court—the USSR Supreme Court—a criminal case involving the theft of a sack of money containing $400,000 at Sheremetyevo. This has already been written about in the mass information media. There is a case which is evidently going to be sent to the court in the very near future too—the case of the so-called Jack the Ripper. At the present time he is in the Serbskiy Institute where he is undergoing judicial and psychiatric examination by experts.

[Interviewer] You have said that this case about the $400,000 has gone to court. But where are the other $400,000?

[Sboyev] The fact is that we have found the remaining $400,000 too. This refers to a second sack containing $400,000 by which the criminals, the thieves, were discovered. But since some of this money was being transferred—rather attempts were being made to transfer it abroad, which becomes contraband—we handed this case over to the Cheka people [KGB].

I am an optimist and believe that the work that we are doing does bring results. It bears its own fruit and results. Of course I would like them to be greater and better and more effective and I would like our work to be more organized and more productive and more obviously the producer of results. I think we are on the right road and the measures that are being taken by the leadership of our state and by the leadership of the law-enforcement bodies, it seems to me insure a sufficiently well organized and aggressive campaign against crime to a sufficient extent at the present time.

State Agency To Oversee Training of Managers

OW2307040091 Moscow INTERFAX in English 1230 GMT 22 Jul 91

[Transmitted via KYODO]

[Text] Aleksandr Volgin, general director of the recently formed state agency for training managers under the USSR Cabinet of Ministers has told IF [INTERFAX] that only 7 percent of senior executives in the country are diploma'd specialists in economics.

That is why, said Volgin, the USSR Government set up the agency for training managers.

The agency intends to provide the interested organizations with training materials designed to facilitate transition to free market. The 1st program is to be printed before October. The agency's work will be funded by the central and republican governments.

According to A. Volgin, the agency will function in the framework of the program for joint actions aimed at overcoming the economic crisis in the USSR.

Periodical Subscription Rates To Rise Again

PM2207151591 Moscow KRASNAYA ZVEZDA in Russian 19 Jul 91 First Edition p 1

[Unattributed report: "Subscription-92: Once Again—A Price Hike"]

[Text] So once again we are on the verge of another subscriptions campaign (it starts 1 August) and again, like last year, it is to begin with the statement of a fact which will be extremely unpleasant both for readers and for those who produce newspapers and journals: Prices for printed matter are rising again.

Readers will remember, of course, how in recent months the press sounded the alarm. Publications of the most varied political orientations spoke in unison this time: A further rise in the cost of printed matter cannot be tolerated, there must be protection against the diktat of the monopolist departments cranking up the prices for paper, postal, transport, and printing services. This

question was also raised in KRASNAYA ZVEZDA in an item entitled "Yet another blow to glasnost?" published 18 June. That comparatively recent publication contained a question mark in the headline. There was hope of radical government decisions which would remedy the situation that the press found itself in. Unfortunately the state's coffers are very bare today: the press has again been left without real support and is essentially left to face its problems alone.

Now that question mark can be removed: Virtually all publications have been forced to raise their subscription prices to double or more. The subscription cost for some newspapers and journals has already passed 100 rubles [R]. It is clear that for many of our fellow countrymen glasnost such as this is becoming simply too expensive just as it is also clear that print runs will fall again and that people will not subscribe to a number of publications—at best one or two or they may even abandon the press entirely...

What should we at KRASNAYA ZVEZDA do in such a situation? What price should we charge for our newspaper? We could, of course, do as some do and give priority to purely commercial interests. But we know how dear and necessary KRASNAYA ZVEZDA is to our veterans, former Afghan servicemen, predraft youngsters, and many other categories of citizens who cannot be regarded as having high incomes. Their attachment to the newspaper and their interests are extremely dear and important to us. That is why when resolving the question of the subscription price, we finally settled on the minimum possible in present economic conditions—R27.60—the price at which we can make ends meet without any economic advantage for the editorial office or the publishing house.

R27.60—that is the lowest price of all those set by the central newspapers for 1992. Thus despite raising the subscription price, KRASNAYA ZVEZDA remains one of the most accessible central newspapers.

Of course, we understand that even R27.60 will be too much for many of those who subscribe to our newspaper today. That is why we are counting very much on increasing the number of sponsors for the KRASNAYA ZVEZDA subscription. Let us recall that the editorial office collegium has established a procedure whereby enterprises and organizations which allocate resources for free or charity subscriptions to our newspaper for veterans, schools, vocational and technical colleges, children's homes, students, and other categories of low-income citizens are given the right to place their advertisements in KRASNAYA ZVEZDA on favorable terms.

[Text] We are also hoping for help from the All-Army Party Committee, Communists in the Army and Navy, and civilian enterprises and organizations. There have already been cases in which a proportion of the funds from party subscriptions are used for subscriptions, including to our newspaper. The continuation and expansion of this method would seem to be an urgent necessity.

Military commissariats, DOSAAF [Voluntary Society for the Promotion of the Army, Aviation, and Navy] organizations, veterans' councils, and military-patriotic clubs and associations can do much to support KRASNAYA ZVEZDA and its readers today. Why, for example, should our newspapers' friends not try out the following option: organize a subscription to the newspaper not individually but for two, three, or four people. A pooling of efforts, so to speak. There is also a solution for individual subscribers: it is not necessary to subscribe for a whole year at once, you can subscribe for 6 months (R13.80), a quarter (R6.90), and even for a month (R3.45).

Be that as it may, we urgently recommend all who want to read KRASNAYA ZVEZDA regularly that they try to take out a subscription. We cannot guarantee that you will always be able to buy our newspaper regularly at news stands. Despite the fact that KRASNAYA ZVEZDA is in demand and sells out, in many cities SOYUZPECHAT is reducing its retail orders—it finds it more profitable to deal with expensive commercial publications. If you take out a subscription to our newspaper you will be guaranteed regular receipts of the paper.

In conclusion we propose to acquaint you with the new subscription prices for some of the most popular publications. We think that on the eve of the subscription campaign, this information will not be without interest or use.

Thus, for central newspapers: TRUD—R30.00, PRAVDA, IZVESTIYA, and SOVETSKAYA ROSSIYA—R29.04, LITERATURNAYA GAZETA—R36.40, SOVETSKAYA KULTURA, RABOCHAYA TRIBUNA, and KOMSOMOLSKAYA PRAVDA—R27.60, and SOVETSKIY SPORT—R50.40.

Weeklies: SOYUZ—R39.00, ZA RUBEZHOM and UCHITELSKAYA GAZETA—R24.00, SEMYA—R26.00, ARGUMENTY I FAKTY—R9.88, GLASNOST—R9.00, and VETERAN—R7.80.

Magazines: NOVYY MIR—R56.40, INOSTRANNAYA LITERATURA—R45.00, MOSKVA—R39.60, DRUZHBA NARODOV—R36.00, ZNAMYA and OKTYABR—R30.00, NASH SOVREMENNIK and MOLODAYA GVARDIYA—R24.00, KROKODIL—R34.20, OGONEK—R46.80, NAUKA I ZHIZN—R27.00, ZA RULEM—R19.80, KOMMUNIST—R18.00, DIALOG and PARTIYNAYA ZHIZN—R15.30, and ZDOROVYE, RABOTNITSA, and KRESTYANKA—R10.20.

Publications for children and young people: PIONERSKAYA PRAVDA—R7.80, PIONER and KOSTER—R14.40, MY—R24.00, TRAMVAY—R12.00, MURZILKA—R7.20, and VESELYYE KARTINKI—R5.40.

And finally, military publications. First of all let us note that the annual subscription price for the weekly supplement to our newspaper—SYN OTECHESTVA—is now R20.80. KOMMUNIST VOORUZHENNYKH SIL will be published under its new title—ARMIYA. The price will be R12.00. Subscriptions have been opened to YEDINSTVO, the weekly of the All-Army party committee, at R10.32. Prices for other publications are as follows: AVIATSIYA I KOSMONAVTIKA—R10.80, AGITATOR ARMII I FLOTA—R7.20, VESTNIK PVO, MORSKOY SBORNIK, and TYL VOORUSHENNYKH SIL—R14.40, VOYENNO-ISTORICHESKIY ZHURNAL—R13.20, VOYENNYY VESTNIK—R12.00, ZARUBEZHNOYE VOYENNOYE OBOZRENIYE—R15.60, SOVETSKIY VOIN—R45.60, VOYENNAYA MYSL—R10.80, and BOYEVOY TOVARISHCH—R8.40.

Think about it, work out what you can afford, and make your choice.

TASS Reviews 23 Jul Soviet Central Press

LD2307064691 Moscow TASS in English 0539 GMT 23 Jul 91

["Soviet Press Review—TASS headline]

[Text] Moscow July 23 TASS—Greek Prime Minister Konstandinos Mitsotakis began an official visit to the Soviet Union on Monday, newspapers report.

At their meeting on Monday, President Mikhail Gorbachev and Mitsotakis "exchanged views on how to promote Soviet-Greek cooperation in a new international and domestic situation," they report.

PRAVDA publishes speeches Gorbachev and Mitsotakis exchanged at a dinner in the Kremlin, hosted by Gorbachev and his wife Raisa in the honour of the Greek prime minister and his wife.

PRAVDA and RABOCHAYA TRIBUNA comment on Russian President Boris Yeltsin's July 20 decree banning political activity in workplace. The decree is published in SOVETSKAYA ROSSIYA.

"Bans and coercion have never been a sign of strength and righteousness and highlight banners' ideological impotence," PRAVDA writes.

The decree will prompt a wave of bitter counteraction, new confrontation and disagreement, RABOCHAYA TRIBUNA writes.

Senior KGB officials met on July 20 to discuss ways to combat organised crime, newspapers report.

PRAVDA comments on the Soviet Communist Party's new draft programme and publishes readers' letters about processes in the party.

SOVETSKAYA ROSSIYA publishes an interview with Vladimir Lisin, coordinator of the Russia parliamentary faction. Lisin speaks about the results of the fifth special Russian Congress of People's Deputies.

SELSKAYA ZHIZN comments on the Soviet Union's inclusion in the" International Union for the Protection of Nature and Natural Resources.

SELSKAYA ZHIZN comments on this year's harvest and problems farmers are facing.

KRASNAYA ZVEZDA carries an interview with first deputy chief of KGB's foreign intelligence department Vadim Kirpichenko.

PRAVDA carries a report from sea farms in the littoral zone.

SOVETSKAYA ROSSIYA carries comments by film editor Vladimir Ivanov about the Moscow International Film Festival.

Anatoly Mazalov, chief of the Soviet GOSPROMATOMBADZOR nuclear safety agency, speaks in TRUD about incidents at nuclear power plants.

In the first half of this year Soviet nuclear power plants worked at a 67 per cent capacity due to maintenance stoppages and operator mistakes.

Twenty out of 59 stoppages were due to human errors, he said.

KOMSOMOLSKAYA PRAVDA carries an interview with Academician Oleg Bogomolov, who comments on relations between the Soviet Union and east European countries.

KRASNAYA ZVEZDA comments on the results of the G-7 summit in London.

RABOCHAYA TRIBUNA interviews Egyptian Ambassador to the Soviet Union Ahmad al-Sayyid on the occasion of 1952 revolution day celebrated today.

Economics

Six-Month Economic Performance Data Reviewed

PM2207124591 Moscow IZVESTIYA in Russian 22 Jul 91 Union Edition p 3

[Unattributed report: "The Production Decline Has Been Halted. Leafing Through the USSR State Committee for Statistics Report"]

[Text] The results of the first six months are evidence of an extremely difficult situation in the national economy. Reduced production volume is typical of all sectors. In May-June we managed to halt the accelerating decline in production that had occurred in the first four months. Average daily industrial output in the last two months stayed at the April level. The situation as regards deliveries of products to all-union stocks improved somewhat. Retail trade commodity stocks were replenished somewhat.

But, on the whole, the economic situation in the country remains tense and unstable, it says further on in the report. The gross national product fell by 10 percent in the first six months compared with the same period last year; the national income dropped by 12 percent, and social labor productivity by 11 percent.

The situation is critical in the state finance sphere. The enormous Union budget deficit and the disruption of the common financial, credit, pricing, and taxation policy in the country are seriously hindering economic recovery. Inflation is increasing.

The Union budget deficit was 39 billion rubles [R] in the first five months and exceeded the maximum annual figure by 46 percent; the state internal debt (taking into account allowances for investments and securities) was around R800 billion by 1 July.

The unsatisfactory implementation of the Union budget is due both to the difficult general economic situation in the country and to the fact that certain republics have failed to provide Union budget revenue as envisaged by the 1991 Agreement on the Stabilization of the Socio-economic Situation in the Country.

The USSR State Committee for Statistics points out that in the latter months of the first half of the year a further reduction in the production volume was prevented. In May and June average daily production in absolute terms remained at the April level, generally speaking. Overall production in June was down on last year to a greater extent than in April and May, due to the fact that there was less working time than in June last year.

In the oil-extraction industry every month saw a reduction in oil extraction. The total reduction over the six-month period was nearly 28 million tonnes compared with the same period last year, which is significantly hampering internal supplies of petroleum products and is restricting export opportunities. Coal extraction fell by 41 million tonnes compared with the same period last year. In May-June there was a slight increase in coal extraction compared with the strike period.

Production of the main types of metal products continued to decline in the first six months. In the period under review work at metallurgical enterprises was considerably affected by the strikes in the country's coal-mining regions. Because of a lack of coking coal, practically all coke oven batteries were operating in accordance with modified regulations and seven batteries had been closed down. Inadequate supplies of scrap metal are also a factor. Production of the main types of products has also fallen in the machine building complex. Production of harvesting equipment for agriculture is facing problems. Production of rolling stock for railroad transport has fallen.

Now we come to the situation in the agro-industrial complex. The total area sown to agricultural crops for this year's harvest was down on last year in 12 republics. In the six months under review agricultural enterprises saw a reduction in production and volumes of purchases of the main types of products compared with the same period last year, which was the main reason for the reduced output of food by processing industry enterprises.

Production of livestock products was down on last year in most regions of the country. The biggest drop in production was at agricultural enterprises in Georgia, Tajikistan, Moldova, Kyrgyzstan, and Estonia. The reduction in the production of livestock products is mainly due to the continuing reduction of the number of livestock at agricultural enterprises and declining productivity. The average milk yield per cow in January-June was 112 kilograms, or seven percent less than in the first six months last year, while over the same period the number of cows fell by 800,000, or three percent; hens laid three percent fewer eggs.

Transport was not operating at its best. In the first six months general-purpose transport carried 5.5 billion tonnes of freight, or 8.4 percent less than in the same period last year. Deliveries were down for all types of transport, although this was due, in the main, to reduced production of many types of products. Some 1,797,100,000 tonnes went by railroad, which is 8.1 percent less than in the first six months of last year.

So the problem of further strengthening labor discipline remains a serious one for the national economy. In the first half of 1991 over 30 million man-days were lost because of absenteeism, stoppages, authorized absences, and mass nonappearance at work. This was due to strikes and production stoppages because of nondelivery of raw materials, supplies, and parts.

It follows from the USSR State Committee for Statistics report that, for all that, the implementation of centralized social program measures that were being carried out before but were not completed in 1990 was continued and over R11 billion were spent on this in the first half of 1991. At the same time, new measures were implemented in that period, costing, it is estimated, around R12 billion. The population's monetary incomes amounted to R433.8 billion, an increase of R131.6 billion on the same period last year. In January-June funds channeled into consumption amounted to around R350 on average per month per worker in the national economy. It was an increase of R85, or more than 39 percent, on the first half of last year, and approximately one-half of the increase was due to the payment of compensation for the increase in retail prices and tariffs.

As a result of the price reform at the beginning of the year, the general level of prices for the range of goods and services in the gross national product increased by 80 percent in January-June compared with the same period last year, including a 100 percent increase in June. The increase in the general level of prices made it possible to create a better correspondence between prices and expenditure in the extraction industry, in agricultural

production, and in a number of other sectors; prices came closer to socially necessary labor expenditure; a more favorable financial foundation was established for enterprises' transition to market relations.

The parallel existence of fixed and contract prices and the partial sale at contract prices of a number of types of products for which fixed prices had been set puts enterprises operating mainly at fixed prices at a disadvantage.

All types of clothing and footwear became 100-200 percent more expensive, while the prices of some types of children's goods increased, such as cotton dresses for school-age girls—by 270 percent; part-wool pants for school-age boys—by 320 percent; footwear for very small children (bootees)—by 430 percent.

Information obtained by statistical organs in June indicates an increase in speculative prices: "Black market" prices doubled in April-June compared with the same period last year. They are still much higher than state trade prices: 200-400 percent higher for some types of foodstuffs; 200-400 percent higher for adult and 100-300 percent higher for children's clothing and footwear; 290 percent higher for construction materials; 360 percent higher for cars, and 1,300 percent higher for medicines.

Prices are increasing, but the goods are disappearing. The USSR State Committee for Statistics provides the following data: Consumer goods production fell by 4.5 percent compared with the first half of last year. Production of foodstuffs was down by 8.5 percent. A reduction was seen in every republic. One of the few exceptions was the production of alcoholic drinks; in absolute alcohol equivalent 146 million dekaliters were produced, which is 0.4 percent more than in the first half of last year. Production of vodka and other liquor increased by 10 percent.

Since the April reform of retail prices the expected stabilization of the consumer market situation has not occurred because of meager commodity stocks, a decline in industrial production, and considerable reduction in imports.

The situation as regards supplies of certain types of food for the population has normalized somewhat in recent months. Bread and baked goods are continuously available practically everywhere and in a number of regions trade in eggs, butter, vegetable oil, confectionery, and some other food products has improved. At the same time, trade in flour and some types of groats is intermittent. In many areas the population still finds it difficult to obtain meat and meat products.

Finally, foreign economic activities. In the first half of 1991 the country's foreign trade turnover was 77.5 billion foreign currency rubles (at the commercial rate), which is 37.1 percent less than the same period last year; exports reduced by 23.4 percent and imports by 47.7 percent.

The switch to freely convertible currency in trade with countries that used to be in CEMA led to a reduction of nearly 50 percent in trade between the Soviet Union and those countries.

Joint ventures with foreign firms have had little impact as yet on the national econony. As before, the main foreign partners are small firms or individuals; major foreign firms are wary about establishing joint ventures using advanced technology and new techniques. At the present time, more than 3,000 joint ventures are registered on the territory of the USSR, but only one-third of them are producing products or providing services.

Figures Show 'Deep Depression'

PM2207141391 Moscow Central Television First Program Network in Russian 1200 GMT 21 Jul 91

[From the "Television News Service" newscast: Report by A. Goryachev, identified by caption]

[Text] The USSR State Committee for Statistics has published a report on the economic results of the first six months of the current year. Here is our commentary:

[Goryachev] Output has declined in all the national economic sectors. The only positive achievement in May-June is that the decline has leveled off. However, this is not likely to inspire optimism. The GNP for the first six months has decreased by 10 percent in comparison with the corresponding period last year. According to Western economists' assessments, this puts us somewhere between deep depression and a total disintegration of the economy.

As for the financial situation—the union budget deficit for the first five months totals more than 39 billion rubles [R]. And the domestic state debt totals around R300 billion. Contract discipline continues to deteriorate—R17 billion worth of output has not been delivered, which has, in turn, affected industry. The total volume of industrial output has decreased by 6 percent during the first six months of the current year. The current deep Soviet depression is comparable only with America in the thirties. We must finally grasp that only radical transformations of the economic system and ownership relations, and that our—and only our—very own hard work can save us now. We can no longer live by selling our natural resources, as in the past. In comparison with the corresponding period last year, oil production has decreased by almost 28 million tonnes, and coal production by 41 million tonnes. According to Western experts' estimates, based on an analysis of information published by the selfsame State Committee for Statistics, our gold reserves total some 500 tonnes, worth just over R4 billion. This would be sufficient to pay off only 30 percent of existing debts.

Consumer sector: The rising budget deficit, unchecked income growth, and the ill-conceived economic policy are producing spiraling inflation. Official and hidden increases in consumer goods prices continue. However,

not even the very significant increases in retail prices have produced—nor could they have produced—the consumer market stabilization which the government is waiting for. There is an explanation for this. Cosmetic repairs cannot replace a complete reconstruction of our society's economic system. However, we cannot continue like this. Clearly we are on the threshold of great changes.

Forum Discusses Internal Convertibility

PM2307091191 Moscow IZVESTIYA in Russian 19 Jul 91 Union Edition p 2

[Article by I. Zhagel: "How Much the Ruble Will Cost and How Much the Transition to its Internal Convertibility Will Cost Us"]

[Text] On 17 July a conference of representatives of economic departments and central banks of the Union republics took place and discussed questions of the transition to the ruble's internal convertibility. As is well known, it is planned to do this as early as the beginning of next year, since very little time remains for preparation and extremely complex questions have to be resolved.

But first of all, O. Mozhayskov, chief of the USSR Gosbank [State Bank] currency administration, said in his introductory speech, everyone will have to be well aware and even prepare themselves psychologically for the fact that with the introduction of the ruble's internal convertibility the administrative distribution of currency will cease completely and all currency will go on the market. That is why, whatever the motives of private individuals or enterprises—whether it be the need to visit relations abroad or to purchases of spare parts or raw material for an imported lathe—everyone will have to acquire dollars, marks, and pounds at the market rate.

As for questions which must be resolved in the preparatory period, they can be divided into two groups: economic and organizational-technical. Economic questions provide primarily for the definition of the parameters of the currency market itself and the rate of exchange of rubles for foreign currencies. And here several figures should be cited.

Let us begin with the fact that this year the country's currency proceeds will be approximately $20 billion. That is far less than planned but more than pessimistic economists predicted. Nonetheless recent assessments attest to precisely this figure.

One can speak far more definitely with regard to our debts—about $60 billion. Their servicing requires $15 billion. That means that, extending this forecast for the immediate future, in 1992 just $5 billion dollars can enter the market. Of course, that is not much. But more specifically?

According to the estimates of the Ministry of the Economy, next year we need $40-50 billion. Of course, these figures can be approached critically, resolutely discarding expenditure on enterprises which are unprofitable, but are still maintained by imported purchases. But even then our currency requirement will be at least $35-40 billion. Of these we seem to have $5 billion. But where to take another $30-35 billion?

The problem is complex. It will be one of the main ones during the transition to the ruble's internal convertibility. And here there are not that many options. It may be supposed that with a consideration for the international situation we will succeed in achieving a deferment of payments for the state debt. But that is just $15 billion. We shall receive some sum from foreign investors as a result of the planned privatization of state property. But here too it would be extremely arrogant to build cheerful plans. That means that what remains is new loans. Most likely the task will be resolved only with the maximum use of all possibilities, even minimal ones.

Someone may say: However much currency we can get is what we will have, we won't die. But it is a controversial question. The less currency comes onto the market next year, the lower the exchange rate of the ruble against the dollar, and not everyone will survive that.

Even when the commercial exchange rate for the ruble was introduced—approximately 1.8 rubles [R] a dollar—many enterprises were on the verge of bankruptcy. After all, because of the tough regulation of prices their income remained the same while their expenditure increased drastically—for everything coming in under import, they had to pay a higher price. The new leap in the exchange rate will simply knock them off their feet.

Of course, the drastic liberalization of all prices, making it possible to equalize income and expenditure, will be a way out. But that will cause many social problems. In addition a number of enterprises, particularly in light industry, which is glued tight to imported raw material and subassemblies, will nonetheless remain unprofitable. Are we prepared for mass unemployment?

Calculations show that the maximum exchange rate to which our industry can adapt, albeit with great losses, is R5 to the dollar. And that is precisely what the exchange rate will be if the market is saturated with $35-40 billion.

Undoubtedly the bloc of economic questions provides for the stabilization of the currency market not only by increasing supply but also by regulating demand. Therefore in the preparatory period it will be essential to elaborate a system of import priorities and a coordinated licensing policy.

Organizational-technical questions are of no less importance for the transition to the internal convertibility of the ruble, since any good undertaking can be buried by inept actions. It is not clear here how the sale and purchase of currency in large volumes on the territory of our country will be implemented in practice.

As of today licenses to carry out currency operations have been issued to 130 banks which, of course, is very little. Especially as they are concentrated mainly in Moscow and a few other industrial centers. That is why the extensive training of cadres is needed and it is a good thing the Western banks are prepared to render us such aid.

Here one could also cite other problems which must be resolved in the preparatory period, but even what I have said is enough to understand that to achieve the goal of supreme importance for our economy coordinated, vigorous steps are needed. Unfortunately, as of today no readiness for such work can be seen.

For instance, the speeches delivered at the conference by three Russian representatives voiced ideas which in general cast doubt on the transition to the ruble's internal convertibility. Among other things it was stated that the republic's government considers it necessary to release only a part of currency onto the free market and to distribute the rest independently.

But even if the centrally distributed part is smaller than now, it is nonetheless going over old ground. It will be a modification of the system which has already existed in our country, with all its shortcomings: encouragement of dependence, punishment of the enterprising, and corruption. And the removal of part of the currency from the free market will inevitably cause a fall in the ruble exchange rate, which is exactly what is happening now.

It is interesting that the following arguments were cited in defense of Russia's position: The republics have only just achieved from the center the right to dispose of a part of currency funds and the introduction of the internal convertibility of the ruble will deprive them of that opportunity. The need to elaborate a strictly coordinated policy in the field of import licensing where republics' rights today have also been considerably expanded was assessed in approximately the same way.

What can be said on this subject is that the centrifugal processes in the republic were generated by the center's reluctance to embark on radical economic reforms. But in this case it is precisely the opposite that is happening—the center is seeking to act more resolutely than the republics. Does that not attest to the fact that with the redistribution of power a new administrative-edict stratum has formed in the regions which does not want to surrender the levers of power?

At any rate at the present session a method of the years of stagnation was successfully used whereby arguments from the political field were used to utterly destroy the matter of economic expediency. For instance, a Latvian representative stated that to agree to the internal convertibility of the ruble means sacrificing one's sovereignty. As though the republics' real sovereignty were possible with a weak national currency, a sick economy, and dependence on everyone and everything.

It is no accident that G. Anulova, a well known specialist in the field of credit and monetary policy, stated that the republics' desire for particular restrictions can be understood but cannot be accepted since from the strategic viewpoint this road does not lead to the market and consequently does not lead to prosperity.

Of course, at the conference there were remarks not only of a political but also of an economic nature. For instance, an Uzbekistan representative stressed that the complete liberalization of prices and a leap in the exchange rate to R7-10 per dollar would, according to their calculations, be an intolerable ordeal for the republics. In that case the government would be unable to insure the normal living standard of the overwhelming majority of its citizens.

From this there stems one more problem: the need to create special aid funds. But if we are counting on aid from the West, why in our own country in this complex transitional period should the strong not support the weak?

So far the republics' representatives have agreed to create three working groups. The first will study the elaboration of macroeconomic aspects of the transition to the internal convertibility of the ruble. The second will study the organizational-technical and legal aspect of the problem. And the third will study questions of export and import operations and the fulfillment of international financial commitments.

Kazakh Oil Deal With Chevron Questioned

PM2207150191 Moscow MOSCOW NEWS in English No. 25 23-30 Jun 91 p 10

[Unattributed report followed by M. Gurtovoy article in response to reader's letter, under "MN Investigation" rubric; first seven paragraphs are unattributed introduction; eighth is reader's letter; "More on Soviet-U.S. Proposed Oil Deal"]

[Text] Chevron Corporation issued the following statement responding to the publication in MN [MOSCOW NEWS] No. 22 of June 2, 1991 of Mikhail Gurtovoy's article "Dirty Deal":

"Clearly, someone in the Soviet Union is trying to undermine our proposed joint venture, which has already been negotiated in tentative form. While this is unfortunate, we're not surprised, in light of the volatile political atmosphere in the Soviet Union.

"We can say, however, that the MOSCOW NEWS article is irresponsible and contains inaccurate, confused and distorted interpretations of our tentative joint venture agreement. /.../

"As a matter of policy, we will not comment on specific numbers contained in the MOSCOW NEWS story because the story deals with ongoing negotiations."

As for us, we are going to comment both on this statement and the numbers we have. Not only because we are astonished that the company indulges in unsubstantiated abuse. The Chevron statement telexed to our office was meant "for immediate publication". This perhaps indicates the commanding tone has taken a firm root in Chevron's relations with Soviet negotiators. We aren't going to repeat what has already been reported about the projected Tenghiz-Chevroil venture. We are going to provide expert data. The size of the venture's authorized capital is only one-fiftieth of the sum this country is to spend for prospecting and equipment, not to mention the worth of the oil deposit itself. Plans do not take account of the expected rise in world oil prices, which constitutes a double loss for this country. The most conservative estimates put Chevron's net profit share in this project at twice that of the average rate of profit in the U.S. oil industry. The contract has been drawn up in such a manner that the corporation can get more than 100 billion dollars. This country does not get anything like this. Chevron does not take on any serious ecological obligations, it does not even consider the danger of earthquakes that can be caused by the use of technology. It does not commit itself to seriously taking part in the region's development. Even the government experts who are supposedly advocates of the project have compiled a list of 60 pages of objections, according to one of the experts, Kaplan Basniyev.

Finally, do we have the right to sign a long-term agreement for an annual export of 36 million tons of oil when the country faces the need to import oil? This may mean that we may well have to buy our own oil at higher prices. [introduction ends]

"I can't understand. I've read an article in your paper on how we're selling our biggest oil deposit, one of our last chances for economic survival, down the river. I thought that this would cause a storm of protest over the deal. That the oil world would be protected, and that action would be taken against the culprits. No such luck. All is quiet. The conservatives are silent. So are the democrats. Parliament, which gets riled up so easily over much less worthy causes, is calm. What's the matter?

[signed] Leonid Sergeyev, leader of a team of oil drillers, Surgut, Tyumen Region"

[Gurtovoy] Dear Leonid, I don't agree with your apt description of our MPs. I think they have proved their ability to ignore important issues yet again. But you know, like yourself, those interested in the deal have perhaps over-estimated the power of public opinion. This can be seen from what happened to an article by Mikhail Surtsukov, a senior research fellow of IWEIR [Institute of World Economics and International Relations—IMEMO]. Having studies the Tenghiz-Chevroil project he at first wanted to alert those close to the Presidential Council. They gave him to understand that interference was undesirable. He then wrote a popular newspaper noted for its love of sensations. The article was neither published nor returned for several months under various pretexts. Then it was revealed that this expose on the Tenghiz deal had been sold to the West for ten thousand dollars. We don't know for sure if it was sold by an unscrupulous member of the staff, or if the newspaper decided to earn a fast buck. What's more curious, the article was never printed abroad.

Curious also in the position of the communist-controlled media, including Central Television. Usually very sensitive to things that hurt the nation's interests, the media perfer to blow soap bubbles at the Filshin case and keep mum about Tenghiz. The order to keep silent has come from those controlling the party press. An investigation may turn up ugly facts, like the four diamonds ostensibly bought here by foreigners but which have never left the country, according to customs. Or like the enigma of the 20 million dollars allegedly spent by Chevron in the course of the talks and not accounted for by the Soviet side. The Chevron president has disassociated himself from this sum in a LOS ANGELES TIMES interview. But the sum nonetheless appears in documents.

It is not a matter of saying whether this manner of striking it rich on the part of bureaucrats is reprehensible or not. The matter is also too serious for a mere scandal column. This is perhaps the last time that USSR agencies are not asking for billions but actually handing them out.

Why didn't those we pin our hopes on for renewal protest over the terms of the deal? Do they secretly want the deal to be made by these "men of yesterday" in the hope that these leaders will thereby disgrace themselves and give them, the new bosses, a chance to humour their voters with such pathetic fruits of the deal as cigarettes and crackers? That these trinkets will defuse the economic crisis? Amid the discussion around the Tenghiz deal behind the scenes at the USSR parliament there was this remark: "The oil belongs to Kazakhstan. There is no knowing if it is going to belong to us tomorrow, and if there is a deal today the country will profit in some way at least."

What about Kazakhstan? The position of those who are masters of the Tenghiz deposits is not hard to see. They are impatient. For residents of the cities of Guryev and Shevchenko the second-hand foreign cars that are appearing on their streets symbolize that Tenghiz no longer only means ecological disaster, but new life for their shanty towns like Karaton and Sargomys. They don't realize that the deposit could turn their moonscape into a Saudi oasis.

Unlike the people, their leaders must understand what they stand to lose. But after MN wrote about Tenghiz there came a statement criticizing those forces wishing to block the contract. This suggests the conclusion that some of the bosses would prefer a small regional miracle at whatever price, just in order to fill the market with goods.

In my previous story I implied that there was a certain group of people bent on selling out their country under the pretext of saving it. Now, I must sadly conclude that

the Tenghiz deal, the robbery of the century, seems to be to everyone's liking. What should we do? In most developed countries the law cuts short attempts to sacrifice national interests for petty political gains.

We are unfortunately not in a position to develop deposits of the Tenghiz type. Yuriy Goncharov of the Guryev department of oil-field geophysics was telling me that all of the 50 wells drilled there were unsafe and their tapping would lead directly to accidents. Given the high content of hydrogen sulphide in the local oil it would take years to clean up after an accident.

The wells can't be mothballed for economic reasons. So turning to foreign companies for help is inevitable. But there ought to be civilized legislation on concessions to prevent sheer piracy. The legislation should require open international competitive bidding for the right to work oil deposits. In its absence all other laws can be circumvented. Indeed, the Tenghiz deal has not been prevented by the ruling that bans setting up oil-producing joint ventures.

Suggesting competitive bidding I have in mind not only Tenghiz, but other oil fields. Take, for example, the very promising Karachaganak deposit. Competitive bidding might solve the problems of the problem-plagued Yamal deposit. Companies which aren't even being considered today could enter the race. On my recent trip to Iraq I talked with some Saudi businessmen who showed tremendous interest in joint development of our oil fields. Chances are that the right could be won by Shell, which is noted for its operations involving oil found at great depths and containing much hydrogen sulphide.

This kind of competition must be encouraged immediately. Mikhail Surtsukov, a researcher, was telling me of active efforts to undermine the idea of such competition. The USSR Ministry of Geology is locked in a race with the USSR Ministry of the Petroleum Industry to sell maps of Soviet oil deposits at absurdly low prices. For example, the map of the Ob basin has been sold for 2,000 dollars. A song, considering the work done by our surveyers and oilmen.

Besides, this involves handing over our information monopoly (again!) to just one firm. And the West has technology and geological equipment far superior to our own. This means that the firm will be able to get more information from the map than we do ourselves. This also excludes any chances of competitive bidding. Bidders are usually provided with very rough maps and their firms take risks. That's what Norway did with its offshore deposits, and it did very well as a result.

Suppliers of equipment can also be selected on a competitive basis. My Tenghiz File contains a copy of a letter one firm sent to another, and it says that trying to conform to the usual North American practice, in line with the law, only prevents a firm from striking deals with Soviet customers. As soon as the firm put that rule aside and took account of Soviet customers' interests, the deal was sealed. Soviet designers have spent years on technological equipment for Tenghiz. Nearly 50 factories joined in the project. The final products were tested and found highly reliable. Despite that, equipment was bought abroad for hard currency. Maybe that was right but it gives rise to speculations which could have been prevented if the supplier had been found on a competitive basis.

"The Americans will feel hurt if Chevron is treated today as one of many bidders," I was told at one government office. I have no intention of hurting the feelings of this respected firm. But for goodness sake, think what would happen if Chevron decided to buy Soviet helicopters in Papua New Guinea after the Soviet model had "won" in a gruelling contest against only itself.

As a matter of fact, Chevron got the right to develop oil fields in that very Papua New Guinea under conditions which are much better for the local people than will be the case in this country. The government of Papua New Guinea realized that the discovery of oil there gave the country an historic chance to joint, the developed world. Maybe those who control our oil should go there rather than on a junket to California in order to learn some business patriotism.

Chevron Spokesmen on Problems

PM1807144791 Moscow PRAVDA in Russian 18 Jul 91 Second Edition p 5

[Reprint of U.S. ABC-TV article under the general heading: "Miscellaneous"]

[Text] Paradoxical as it may seem, the Soviet Union is one of the world's wealthiest countries as far as extraction of oil, gas, precious metals, and other natural resources is concerned. For three years the U.S. Chevron oil company has tried and is still trying to invest capital in oil extraction in the vast expanses of Kazakhstan. If things get started the Soviet side could earn billions each year in freely convertible currency. However, according to Chevron representatives, a year after the last contract was signed the deal got bogged down in bureaucratic obstacles. The main reason for the Soviet authorities not having given the joint project the "green light" being that the U.S. side receives too much revenue. There is another reason in addition to this significant one—the battle between the republic and Union governments for oil in this region. Kazakhstan reckons that all natural resources on its territory belong to the republic alone, while central organs of power are convinced that they belong to the state and thus to the "center." "There is such a muddle in the Soviet Union that it is virtually impossible to have business relations with it at present," a Chevron consultant said during an interview with the television company.

Agreement Reached With U.S. on Oil Deliveries

LD2207142391 Moscow Radio Moscow World Service in English 1200 GMT 22 Jul 91

[Text] The biggest deal in the Soviet practice of alternative oil trade with foreign partners will probably be soon concluded. The joint stock company headed by (Vladimir Kostenetskiy) has had talks with United States presidential adviser (June Read), who represents the interests of a number of American firms. An agreement has been reached in principle on delivery of 150,000 tonnes of oil.

The firms in other Western countries also show interest in cooperating with Soviet oil exchanges [as heard]. For instance, the French companies offer to participate in developing the oil deposits in the north of Siberia.

Agriculture

Grain Procurement Problems Discussed

914A0958B Moscow SOVETSKAYA ROSSIYA in Russian 16 Jul 91 First Edition pp 1-2

[Article by unidentified TASS correspondent: "In the USSR Cabinet of Ministers: 'Harvest-91' in the State Grain Bins"]

[Text] We are all witnesses to how the situation with grain procurements for state resources has been aggravated in recent years. In a number of regions this has made it more difficult to supply grain to the population and manufactured feed concentrates to animal husbandry. We know the reasons for this: The marketability of the grain has decreased, procurement discipline has slackened, localistic tendencies have gotten out of hand, and all this together has sharply limited the possibilities of efficient use of the country's grain resources.

As a result, the ever growing volumes of grain procurements from abroad, under the conditions of a shortage of hard currency, has placed a heavy burden on the country's economy.

But how do we provide for a continuous supply of grain products for the population and manufactured feed concentrates for animal husbandry? What measures is the country's government taking? A couple of days ago the USSR Cabinet of Ministers adopted an important decree "On Measures for Providing for Coordinated Actions of Union and Republic Organs in the Formation of State Grain Resources from the 1991 Harvest."

Taking into account the special importance of the coordinated actions of Union and republic organs in the formation of state grain resources, the USSR Cabinet of Ministers has instructed the republic governments and the USSR State Committee for Procurements of Food Resources to take exhaustive joint measures (including additional contractual agreements) to provide for procurements of grain from the 1991 harvest in the volume of 77 million tons. This level was determined by the economic agreement of the USSR and Union republics on questions of deliveries of food and agricultural raw materials in 1991. In a word, now the state order for the delivery of grain to the state resources (including the Unionwide supply) is mandatory.

If a republic fails to provide the established volumes of grain deliveries as envisioned in the agreement, there will be no compensation for this republic from the Unionwide fund.

This, as they say, is the whip, but there is also a carrot. The following is written in the decree of the Cabinet of Ministers: To recommend to the republic governments that before 1 October 1991 they send for reciprocal sale (at state wholesale and retail prices) for grain sold in excess of the state order a monthly norm (August of this year) passenger vehicles, refrigerators, washing and sewing machines, knitted and sewn items, leather footwear, construction materials, coal, and other consumer goods intended for sale through retail channels.

In order to encourage labor collectives of kolkhozes, sovkhozes, and other agricultural enterprises to sell and procurement organizations to buy grain in excess of the state order to the USSR State Committee for Procurements of Food Resources, an additional 33,000 passenger vehicles have been allotted, including from the market supply allotted to USSR Central Union of Consumers' Societies, from the reduction of deliveries for export, from the reserve for the market fund, and from a reduction of deliveries to general-purpose transportation enterprises. Also earmarked for these purposes are 40,000 tons of cement from the reserve of the USSR Cabinet of Ministers, 2 million conventional slabs of slate from the undistributed reserve, and imported furniture worth a sum of 20 million rubles [R].

But what is the state "tax" for reciprocal sale to agriculture of material and technical resources and consumer goods?

For one KamAZ it is necessary to deposit 400-500 tons of grain, depending on the group in which the farms are included. The price is 250-300 tons of grain for such makes of truck as ZIL-131, ZIL- 4314, ZIL-4415, and others. The scale for the sale of passenger vehicles is somewhat different: GAZ-2410—500-600 tons of grain; VAZ-2121 Niva—300-400 tons; VAZ-21063, Moskvich-2141, Moskvich- 412—250-300 tons; and Tavriya—200-250 tons per unit.

One sewing machine costs the farms 5-10 tons of grain, and one refrigerator—8-10 tons. And imported sewn, knitted, and hosiery items and footwear will be sold to rural residents based on R1 of value of grain for R1 of value of the commodity. In a word, the exchange rate of "grain currency" is quite easy for anyone to understand.

The supplies of these allotted material and technical resources and consumer goods are transferred to the procurement enterprises and organizations and are sold

by them through the material and technical supply organs and trade organizations as the kolkhozes, sovkhozes, and other agricultural enterprises meet the conditions of selling grain to the state.

In past years the farms have kept a good deal of grain for themselves in order to make up for the shortage of manufactured feed concentrates for the cattle and poultry. This year the delivery of manufactured feed concentrates to the kolkhozes, sovkhozes, and other agricultural enterprises in exchange for grain received from them will be provided at reduced prices in keeping with the decree of the USSR Cabinet of Ministers of 31 May 1991, No. 313. The difference in the prices for the manufactured feed concentrates will be made up to state enterprises of the concentrated feed industry according to the procedure determined by the republic governments.

There is no need to explain why today even our peasants find it preferable to sell grain and other agricultural products to the state not for "wooden rubles" but for hard currency. And this is fair: Let us make sure that a dollar earned from exporting oil does not sail away to the farmer across the sea.

Taking this into account, the USSR Government has continued through 1991 the practice of procuring grain and seeds of oil- bearing crops from the farms for freely convertible currency from funds earmarked for buying grain abroad. Differentiated amounts have been established for paying for them in rubles at the commercial rate in freely convertible currency.

For instance, the cost of a ton of durum wheat, depending on its class, is from R240 to R135 in freely convertible currency, and soft wheat—from R180 to R120. For a ton of rice or mustard the farmers are paid R300 in freely convertible currency, corn—R180, soy beans—R330, and pulse crops and rape—R240. Many farms have a real possibility of augmenting their hard currency accounts.

It has also been established that freely convertible currency is to be used to pay for the grain and seeds of the aforementioned oil-bearing crops under the condition that the farm fulfills the state order (in the RSFSR—the food tax and the state order) on the whole for grain and seeds of oil-bearing crops.

For grain and seeds of oil-bearing crops sold to the state for freely convertible currency, there is no reciprocal sale to the farms of material and technical resources, consumer goods, oil cakes (pulps) and concentrates.

A reasonable question: Where is the most effective place to invest the hard currency?

For purposes of accelerated technical retooling of food enterprises, the creation of the latest industries for processing products, and the assimilation of modern progressive technologies in agricultural production and the food branches, the government recommends that the kolkhozes, sovkhozes, and other agricultural enterprises use the hard currency they receive to acquire the latest equipment.

The USSR Ministry of Foreign Economic Relations, the USSR Ministry of Agriculture and the Food Industry, and the USSR State Committee for Procurements of Food Resources will render effective assistance to the farms in acquiring these material and technical resources.

Grain Procurements, Effects Projected

914A0958C Moscow NEZAVISIMAYA GAZETA in Russian No 80, 9 Jul 91 p 4

[Article by Mikhail Lantsman: "Prospects for Harvest-91: Will It Go Into the Grain Bins of the Homeland?"]

[Text]

Agriculture

After the publication of the regular CIA report in the USSR, debates were opened on the prospects for Harvest-91. According to the information of our American spy companions, Soviet peasants will be able to harvest no more than 180 million tons of grain this year, which is 50 million tons less than last year's record.

The CIA prediction was confirmed Saturday at a meeting of the USSR Supreme Soviet by the chairman of the food commission, Arkadiy Veprev, who expressed extreme alarm about providing the country with grain. According to figures for 1 July, the productivity of grain crops will be five quintals per hectare less than last year. And the Russian fields will produce only 7.5 quintals per hectare—13 quintals less than last year. This year state grain procurements will amount to 60 million tons while 112 million tons are needed.

The situation is even worse with the procurement of manufactured concentrated feeds. The farms are refusing to sell grass meal to the state because of the low procurement prices.

But, in the opinion of All-Union Academy of Agricultural Sciences Academician Aleksey Yemelyanov, "there is no tragedy in the fact that this year's harvest will be less than last year's. In any case the present infrastructure of agricultural production will "cut off" all the surplus. With the structure for grain consumption that exists in our country, in any case we are doomed to buying it abroad. The fact is that we consume grain, including for food and feed, in an amount of 800 kilograms per person per year, while EEC countries consume 450-500 kilograms and still they produce more meat than we ever dreamed of.

Half of the ration of Soviet cattle consists of wheat. With the current weight gains and milk yields, this is a crime. All the rest of the world uses concentrated feeds with 20-40 components, depending on the species and breed of cattle. But here 80 percent of it is grain, although we

have exceptional conditions for the use of grass meal. The rations could also include wastes from meat combines and fish processing plants, which now only pollute the environment.

There is nothing terrible about reducing state grain procurements; the panic comes from people who want the state to retain the right to be the main distributor. "What is terrible is not the reduction of state procurements but the immense losses in distribution," noted Aleksey Yemelyanov.

Nonetheless the government continues to marshal all its forces to carry out the same task: "To pour grain into the grain bins of the homeland."

Military

Abolition of Student Draft Deferment Discussed

PM2207144191 Moscow KRASNAYA ZVEZDA in Russian 18 Jul 91 First Edition p 1

[Interview with Colonel General G. Krivosheyev, deputy chief of the USSR Armed Forces General Staff, by unnamed KRASNAYA ZVEZDA correspondent; date and place not given; first paragraph is introduction: "This Difficult Spring Draft"]

[Text] The spring draft of young people for active military service is coming to an end. In this connection our correspondent asked Colonel General G. Krivosheyev, deputy chief of the USSR Armed Forces General Staff, to answer a number of questions.

[KRASNAYA ZVEZDA] Grigoriy Fedotovich, evidently the General Staff does not find the draft's results satisfactory?

[Krivosheyev] The USSR Armed Forces and other structures of the country's military organization have received 91.4 percent of the prescribed number [k ustanovlennomu naryadu] of new conscripts. By mid-July Georgia had fulfilled the plan by 8.2 percent, Lithuania by 12.3 percent, Armenia by 16.4 percent, Estonia by 30.3 percent, Latvia by 30.8 percent, and Moldova by 81.5 percent. There can be no talk of any satisfaction.

[KRASNAYA ZVEZDA] The draft took place in a complex sociopolitical situation. But are these the only reasons that have upset the rhythm of an important state undertaking?

[Krivosheyev] Sociopolitical problems have had their effect, both those that have accumulated in society over decades and those that have arisen in recent years. We are feeling the repercussions of a difficult demographic process which is having a direct impact on the reduction of the quantity of [human] resources for the draft and the restriction of opportunities for bringing the USSR Armed Forces, KGB Troops, MVD [Ministry of Internal Affairs] Troops, and Railway Troops up to strength.

If the number of citizens drafted for military service in 1980 is taken as 100 percent, then in 1988 the total draft was 86 percent of the 1980 figure, the figure for 1989 is 78 percent, and the figure for 1990 is 68 percent. And in these years we have far from fully satisfied the Army and Navy's replacement requirements.

Recently the number of youths taking advantage of deferment has increased. Thus, in 1968 42 out of every 100 people of draft age were released from service on lawful grounds, while this year the figure is already 57.

These indicators have been influenced by the fact that in 1989 the health and physical development requirements for draftees were raised appreciably. To this day we are painfully aware of the USSR Supreme Soviet decision on granting deferment from service to all students of day (full-time) higher educational establishments. That decision annually deprives the draft resources of a block of young people numbering almost 200,000.

And, of course, a significant reason complicating the Armed Forces' manpower acquisition is the active opposition of a number of Union republics to carrying out the draft, and the ignoring of Union legislation on defense issues. Supercharging the sociopolitical situation surrounding the Army and Navy and shaking the Armed Forces as one of the most stable state structures have lately taken on a planned, organized character. If emergency measures are not taken, the process that has begun might become irreversible.

This year the supreme soviets and governments of certain republics have switched to anticonstitutional fanciful activity which is essentially aimed at canceling the validity on their territories of Union legislation concerning the organization, manpower acquisition, and use of the Armed Forces. But this is really the USSR's prerogative. Around 30 unlawful acts have been adopted.

[KRASNAYA ZVEZDA] What is their essence?

[Krivosheyev] Their essence boils down to refusing to allocate draft resources to bring all-union troops and naval forces up to strength, to creating their own republic formations, to introducing alternative service instead of active military service, to refusing to allocate replacement troops outside the boundaries of national territories, and to hindering the use of compulsory-service personnel in settling interethnic conflicts.

Moreover, in a number of republics (Armenia, Georgia, Estonia, Lithuania) separatist forces have launched practical work among servicemen in military units, urging them to willfully leave their military units without authority taking their weapons awith them and to join the ranks of the "defenders" of their republic's sovereignty (the Armenian National Army, the National Army of Georgia, customs subunits, and so on). Deserters are being given all kinds of help: refuge, protection from punishment, job placement...

[KRASNAYA ZVEZDA] Of course, all this is having an effect on the Armed Forces' combat effectiveness?

[Krivosheyev] Not only the Army and Navy's combat effectiveness but also their mobilization readiness have been jeopardized. The national economic mobilization training is collapsing and military-type truck columns and stocks of raw materials and components are being eliminated.

The telling factor are the absence in the USSR Laws "On the State Enterprise (Association)," "On the Cooperative System," and "On the Basic Principles of Local Self-Government and Local Management in the USSR" of provisions about the obligations of the relevant organs and production formations in the matter of preparing the country's defense, and the decline in executive discipline at all levels. The officials breaking the USSR Law "On Universal Military Duty" and the USSR Supreme Soviet Presidium Decree "On Military Transportation Obligations" are going scot free.

The sabotage of military commissariats' military registration work and of the summoning of those subject to the draft to training courses is growing.

[KRASNAYA ZVEZDA] Grigoriy Fedotovich, the question of granting deferment from the draft to students is currently being discussed in certain newspapers. What solution to this question is envisaged in the draft laws on defense questions?

[Krivosheyev] In the draft of the new Law "On Universal Military Service Obligation and Military Service" the category of citizens enjoying the right to defer because of family circumstances is being extended. A directive on medical certification in the USSR Armed Forces is being worked out so as to tighten up health requirements for those drafted into service. Adoption of these documents will considerably decrease the draft contingent. In this connection the question arises of reviewing the practice of granting deferments to certain categories of draftees.

Most Soviet people regard the granting of privileges to students as a manifestation of social injustice. First, young people have various opportunities to enter institutes depending on social origin and place of residence. Second, the enormous lack of manpower in the Army and Navy caused by granting deferment to students is a heavy burden on the shoulders of those who are serving.

Therefore, as in most of the world's democratic countries, it is proposed to abolish deferment from the draft for students at higher educational establishments, retaining it only for people undergoing training under the reserve officers program at departments of military science.

The induction into service of students in higher education will ensure social parity between various segments of the population and respect for legislation on defense questions. Moreover, starting 1993-1994 it will enable compulsory service to be reduced by 6 months (from 24 to 18 months). As regards the most science- intensive higher educational establishments or individual faculties whose graduates are determining the country's scientific and technical progress, then by a government decision they can be included in the list of higher educational establishments whose students are trained under the reserve officers program.

[KRASNAYA ZVEZDA] This question in conclusion. What specific steps is the Ministry of Defense taking within the framework of military reform to improve Armed Forces manpower acquisition?

[Krivosheyev] The term of service in the Navy has been reduced, compulsory annual leave periods for compulsory-service personnel and compulsory state insurance have been introduced, performance of service by married draftees near the family's place of residence is envisaged, financial support for soldiers and sailors has been increased, and their clothing provision and food have been improved.

We actively cooperate with the leaderships of republics, if we meet with understanding, in solving any defense questions. But the Ministry of Defense's efforts alone are not enough at the moment.

Moscow Spring Draft Figures Reported

PM2207102991 Moscow IZVESTIYA in Russian 19 Jul 91 Union Edition p 2

[POSTFACTUM report: "How Many Muscovites Have Become Soldiers"]

[Text] At a session of the Moscow Soviet commission for military questions and emergency situations Anatoliy Shelukhanov, deputy city military commissar, delivered a report on the results of the spring draft to the army in Moscow. Shelukhanov stated that in the spring of 1991 only 23 percent of Moscow draftees were drafted, while four percent took advantage of their right to defer service in the USSR armed forces because of serious family circumstances, 20 percent did not come to serve as they are higher educational establishment students, and two percent of Moscow draftees are in prison. Thus about 50 percent of Moscow draftees did not serve in the Armed Forces this spring, POSTFACTUM reports [figures as published].

Estonia

Foreign Minister Seeks Foreign Experts' Support

OW2307013591 Moscow BALTFAX in English 1800 GMT 22 Jul 91

[Transmitted via KYODO]

[Text] The Estonian Foreign Minister Lennart Meri has told a news conference in Tallinn on July 22 he hopes for the participation of some influential foreign politicians in the search for concrete solutions to the "Baltic problem".

Asked by BF [BALTFAX] whose support he would like to count on in the first place, Meri referred to the former U.S. Secretary of State George Shultz, Britain's former Prime Minister Margaret Thatcher and the American political scientist Zbigniew Brzezinski.

Meri said that a special group of world politicians would be formed to deal with the Baltic problem.

The Estonian foreign minister also briefed the journalists on his visit to London last week during the G-7 summit.

He said that the USSR President Mikhail Gorbachev was in London with the mandate of only nine republics planning to sign the union treaty. Lennart Meri supported the idea of Western aid to the Soviet Union on the condition it would go directly to the republics, because the centre could use it to support reactionary forces, the military-industrial complex and so on.

About the support for the desire of the Baltic peoples for independence, expressed in the political declaration of the seven leaders, Meri said that so far the Soviet Union had responded to the Western countries' calls for talks with the Baltic republics only with "theatrical gestures" and gone no farther than forming delegations. He recalled that last year's Houston declaration by the Seven on the same issue "failed to prevent the military coup attempt in Vilnius last January."

Trade Agreement With Poland Ready for Signature

LD1807230291 Tallinn Radio Tallinn Network in Estonian 1200 GMT 18 Jul 91

[Recorded report by reporter Ain Saarna]

[Excerpts] The meeting today between Estonian Prime Minister Edgar Savisaar and Polish Ambassador Stanislaw Ciosek lasted for nearly two hours in Moscow at the permanent Estonian mission. [passage omitted] I asked Mehis Pilv, director general of the foreign economic department, what one can expect in regard to foreign economic cooperation.

[Pilv] I would say that today's conference was very positive. [passage omitted] We are lucky that the Polish foreign trade minister is in Moscow today. At the moment he is meeting the union minister. Talking to the ambassador in the morning, the minister said that the Polish side is ready to sign a treaty immediately. We handed over an export-import list that amounts to the sum of $25 million. The Polish side promised to look at it for about a week. In a week's time they will be in Riga and then go to Tallinn. We agreed fairly specifically on the level that the Estonian-Polish trade treaty is to be signed on: The Polish foreign trade minister will sign on the Polish side, and the Estonian minister of the economy will sign on the Estonian side. We hope that we will have the signing at the ministerial level on about 15 August.

[Saarna] What will we get from Poland? What will the Poles get from us?

[Pilv] We have a fairly precise and detailed list. The main thing on the Polish side at the moment is medicine [as heard] worth about $10 million. We will sell them about 15 types of goods. There will be, among the $10 million, chipboard from Pussi for a million. Then there are toys, glass goods, and linen fabrics—basically a variety of different goods, including seat belts from Norma for half a million. There will be an agreed list, which it will now be necessary to sign the government level.

Police Report Tensions Easing in Northeast

OW2307022391 Moscow BALTFAX in English 1500 GMT 22 Jul 91

[Transmitted via KYODO]

[Text] The Estonian police press centre has told BF [BALTFAX] that the situation in northeastern Estonia has returned to normal. The area has a mostly Russian-speaking population opposed to the republic's secession from the USSR. Tension there soared a week ago after the Estonian Government opened a customs office in the area of the town of Narva on the border with the Russian Federation. The Estonian police sources said that the customs posts in the northeast of Estonia have been closed on orders from local authorities. Local police have been performing the duties of customs officers.

The Estonian police press centre says that a total of 104 trucks were checked at the end of last week. Only eight had no license to carry goods out of the republic. An average 15 hundred vehicles go from Estonia through Narva every day.

The Narva City Council is expected to meet in session on July 23. The Estonian Prime Minister Edgar Savisaar is expected to arrive for the meeting.

On July 22 there was a conference of the city council leaders from the three biggest cities in the northeast of Estonia—Narva, Sillamae and Kohtla-Jarve. Proposals addressed to the government for stabilizing the situation in the region were discussed.

Heavy Rains Knock Out Tallinn Teletype Circuits

OW2307011091 Moscow BALTFAX in English 1230 GMT 22 Jul 91

[Transmitted via KYODO]

[Text] As BF's [BALTFAX] correspondent reports from Tallinn, beginning Sunday all teletype machines in the city, including those of the Estonian Telegraph Agency (ETA), radio and TV and the Police Department have been out of service.

As Viktor Petrov of the state-run firm "Estonian Telecommunications" told BF, the stoppage was caused by heavy showers which had damaged the main teletype cable.

Law on Monetary Reform Published

914A0692B For this law published in the 2 April 1991 SOVETSKAYA ESTONIYA, see the JPRS Report Soviet Union: Economic Affairs, JPRS-UEA-91-024, dated 17 May 1991, page 42.

Latvia

Finnish Delegation Discusses Highway, Rail Link

OW2307013691 Moscow BALTFAX in English 1800 GMT 22 Jul 91

[Transmitted via KYODO]

[Text] A Finnish delegation led by the Minister of Transport and Communications Ole Norback had meetings with the Latvian ministers of foreign affairs, communications and transport over the weekend.

At the meeting with the Foreign Minister Janis Jurkans the future of talks between Latvia and the USSR was brought up.

Communication Minister Peteris Videnieks discussed the outlook for speeding up international postal deliveries and arranging joint seminars for Latvian and Finnish communication workers.

At the meeting with the Latvian Minister of Transport Janis Janovskis plans for building an international highway, VIA BALTICUM, along the Baltic Sea coast, in which all countries of the region would take part.

The possibility of opening a direct railway link between Riga and Helsinki was discussed.

Customs Post in Ludza Rayon Attacked by 'Bandits'

LD2307080791 Riga Radio Riga Network in Latvian 0701 GMT 23 Jul 91

[Text] Aivars Salins, director general of the customs department, reports that at 0115 last night the Grebneva customs post of Ludza Rayon was attacked by five bandits armed with submachine guns. They beat up customs personnel and a militia worker, stole customs documents, 100 rubles of state money, and also 5,000 rubles from a private person. They damaged the same person's motor vehicle and then threw a fragmentation grenade into our post. Luckily, it did not cause much damage. They arrived by a Latvija minibus; registration number LTC 01-78. After their actions, they returned to the territory of Latvia.

Lithuania

Landsbergis: 'No Need' To Reorganize Government

OW2307013491 Moscow BALTFAX in English 1800 GMT 22 Jul 91

[Transmitted via KYODO]

[Text] The Lithuanian Parliament leader Vytautas Landsbergis has said in an interview with the weekly "LITERATURE IR MENAS" (Literature and the Arts), that the current Government of Lithuania "is doing a good job and for the time being there is no need to reorganize it".

As is known, sometime ago the biggest association of the republic's opposition parties and organizations "Forum for Lithuania's Future" called for forming a coalition government that would include representatives of various political parties.

Landsbergis argues that the question of reorganizing or changing the government altogether did not "emerge in a natural way but was prompted from the outside".

The Lithuanian leader recalled that the first Lithuanian Government under Kazimiera Prunskiene, formed after the declaration of independence on March 11, 1990 was "a coalition one and for that reason lacked decision".

"I don't know whether any other coalition government will be resolute enough in its actions", Landsbergis said.

Kazimiera Prunskiene is one of the leaders of the "Forum for Lithuania's Future".

Vagnorius Calls For Dialogue With Opposition

OW2307022291 Moscow BALTFAX in English 1230 GMT 22 Jul 91

[Transmitted via KYODO]

[Text] The Lithuanian Prime Minister Gedimanas Vagnorius has invited representatives of all the legal Lithuanian parties and public organizations to take part in a "round table" meeting to discuss the issue of setting up a consultative body of all the political forces in Lithuania. The date of the "round table" meeting will be announced later.

The Lithuanian Government's press center has made public a declaration pointing out that "the national

concord and the common position of Lithuanians, Russians, Poles, Belorussians and other nationalities living in Lithuania are possible only if the opinions and interests of all citizens are taken into account."

The Lithuanian Government calls for a dialogue with opposition political movements so that "the opposition could become a creative force."

Statistics on Soviet Army Damage Released

OW2307021991 Moscow BALTFAX in English 0930 GMT 22 Jul 91

[Transmitted via KYODO]

[Text] The Lithuanian Statistics Department has released the data showing the damage caused by Soviet Army's actions on the republic's territory.

Soviet troops have captured and destroyed property worth an estimated 70.2 million rubles. Lithuania has received 7.8 million rubles of national income less.

The restoration of ruined property is estimated at 700,000 rubles.

The Statistics Department says losses linked with traumas received by Lithuanian citizens reach 1,064,000 rubles.

The expenditure for reinforced guarding of important installations and for compensations and allowances to those unemployed through no fault of their own makes up 1.1 million rubles.

Official Predicts Worsening Traffic Situation

OW2307022091 Moscow BALTFAX in English 0930 GMT 22 Jul 91

[Transmitted via KYODO]

[Text] As Lithuanian Traffic Police Commissar Liucijus Suslavicius told the newspaper "LIETUVOS RYTAS", 2409 accidents have occurred in Lithuania over the first half of this year—up 8.8 percent from the first quarter of last year. The accidents caused death of as many as 418 persons (up 6.4 percent). 2637 have received wounds (up 12.4 percent).

Among the reasons for the increase of traffic accidents Mr. Suslavicius indicates growing number of automobiles in Lithuania (currently, there are 127 personal cars per 1,000 citizens), as well as "some negative emotional aspects" of the everyday life. The commissar predicts further worsening of traffic situation in the republic.

Mr. Suslavicius also says that only two out of 217 traffic policemen have refused to swear allegiance to the Republic of Lithuania: One said he would soon leave Lithuania and the other pointed to political reasons. But despite the stability of the present staff, traffic police still needs more inspectors.

TASS Reports Yeltsin Departyization Decree

LD2207152791 Moscow TASS in English 1404 GMT 22 Jul 91

[Text] Moscow July 22 TASS—Russian President Boris Yeltsin on Saturday signed a decree purging organisational structures of political parties and mass public movements from state bodies, institutions and organisations of the republic. The text of the decree was published here today.

The decree, which will take effect two weeks after publication, bans the creation of new and the activities of existing primary organisations, committees and other organisational structures of political parties and mass public movements in state managing bodies of the Russian Federation, executive committees of all levels, state institutions, organisations, concerns and enterprises on the republic's territory irrespective of their subordination.

The decision followed the need to "ensure the equality of political parties and mass public organisations, established by the Russian Constitution, in elaborating state policy, managing the state, averting interference of public associations in the activities of state bodies and influence of inter-party struggle on the functioning of the state apparatus."

The decree notes that the activities of trade union structures should be carried out in accordance with agreements between state enterprises' administration and work collectives.

The decree said an individual's participation or non-participation in the activities of parties and public movements cannot be the reason for limiting his rights, including the right to take any posts.

"Persons working for the state should be guided in their activities by Russian legislation and are not bound by decisions of political parties and mass public movements," the decree reads.

From now on, state employees can be involved in party activities only in non-working hours and outside the limits of state bodies and enterprises.

The decree recommends the Russian parliament to discuss submitting a bill to the Soviet parliament, banning the activities of organisational structures of political parties and mass public movements in the USSR Supreme Court, the Constitutional Compliance Committee, procurator's offices, Armed Forces and KGB and Interior Ministry bodies and units.

Laptev Welcomes Workplace Ban

LD2307104291 Moscow TASS in English 0841 GMT 23 Jul 91

[By TASS correspondent Ivan Ivanov]

[Text] Moscow July 23 TASS—Russian President Boris Yeltsin's decision to ban political parties in the workplace has been long overdue, according to a Soviet parliament leader.

"Is it possible for 300 parties who are guaranteed equality by the constitution to have party committees at one plant?" Ivan Laptev, chairman of the Soviet Parliament Council of the Union, asked in an interview with TASS, commenting on Yeltsin's recent decree banning party cells in state agencies and organisations in Russia.

There are currently some 300 parties registered in the Soviet Union.

The decree should not be regarded as "a blow against communists", so far the only party that has its own structures at state agencies and enterprises.

"Of course, we, communists, have the right to say this. However, other parties that have just begun "to develop structurally can also view the decree negatively, and I have heard such views. Everyone should have equal conditions in this case," Laptev stressed.

The decree should be brought in line with the Soviet and Russian constitutions and laws to prevent it from "being yet another campaign", he said.

A similar decree should be passed for the entire Soviet Union, Laptev believes.

Controversy Over Decree Noted

LD2207155791 Moscow TASS in English 1438 GMT 22 Jul 91

[Text] Moscow July 22 TASS—Confusion, enthusiasm and non-acceptance reflect the gamut of feelings among members of various political groups and ordinary citizens in the Soviet Union following the issue of a decree by Russia's President Boris Yeltsin on Saturday on the departyization of state agencies—institutions and organisations on the territory of the Russian Federation, the Soviet Union's largest republic.

According to the decree, parties may no longer have primary organisations at the workplaces of their members. The carrying out of party activities during work hours is banned. It is also forbidden to demand that a person indicate his or her affiliation with political parties or movements in official documents that are submitted to state agencies.

The decree appplies practically only to communist party organisations, mainly its committees in the army and law enforcement agencies.

In answer to a question about the decree during his trip to the central Asian republic of Kyrgyzstan, Yeltsin said that at their workplaces people should work, not engage in political struggle.

The "Communists for Democracy" movement fully supports this initiative by Boris Yeltsin. The leaders of the

movement are now busy setting up a "Democratic Party of the Communists of Russia within the CPSU".

The leader of the movement, Russia's Vice President Aleksandr Rutskoy, who announced this at a news conference today, emphasised that his movement fully supports the Russian president's decision, because it "puts all political parties on an equal footing and enables officials to be guided in their work only by the constitution and legislative acts".

Nevertheless, representatives of the leadership of the Russian Organisation of Communists believe, for example, that Boris Yeltsin's decree is invalid because it violates the country's constitution and the law of the USSR on social organisations.

The most characteristic is the wait-and-see attitude taken up by medium-level party functionaries—leaders of party committees at factories and institutions.

It is essential to wait and weigh everything, Vladimir Starikov, secretary of the Soviet Foreign Ministry's party committee, told TASS.

"It is necessary to study the decree in detail, and not from hearsay, and only then to act in accordance with legislation," he said.

In addition, Starikov said, the attitude of the entire party should be set out.

"Apparently, this issue will be raised at the forthcoming plenary meeting of the CPSU Central Committee as well," Starikov pointed out.

Yeltsin Issues Decree on New Council

OW2307014591 Moscow INTERFAX in English 0930 GMT 22 Jul 91

[Transmitted via KYODO]

[Text] Russia's President Boris Yeltsin signed a decree on setting up a council for the affairs of federation and territories as a consultative body accountable to him. Apart from the president himself, the council will include the heads of the highest executive and administrative bodies of republics, territories and autonomies making up the Russian Federation, as well as the mayors of Moscow, Leningrad and other cities picked by the president.

Yuriy Skokov was appointed the council's secretary. He will coordinate the foreign economic activity of the subjects of the Russian Federation.

Organization of Council Reported

LD2207180991 Moscow Russian Television Network in Russian 1700 GMT 22 Jul 91

[From the "Vesti" newscast]

[Text] The Russian news agency reports: By decree of the RSFSR [Russian Soviet Federated Socialist Republic] president, a State Council has been formed as a consultative body under the president. Gennadiy Burbulis has been appointed secretary of the State Council. Sergey Shakhray will carry out the functions of state advisor for legal policy.

A council for the affairs of the federation and RSFSR territories has been set up as a consultative body under the president. Yuriy Skokov has been appointed the council's secretary. He is in charge of coordinating foreign economic activity in the RSFSR.

By decree of the RSFSR president, a commission for developing proposals on the status, structure, and procedures of the RSFSR Security Council has also been formed.

Yeltsin: Gorbachev 'Fulfilled' Mandate at G-7

LD2107214391 Moscow Radio Rossii Network in Russian 2050 GMT 21 Jul 91

[Text] The leader of the Soviet Union fulfilled the republics' mandate not to go cap in hand—this is how Russian President Boris Yeltsin assessed President Gorbachev's mission to London, speaking at a news conference in the capital of Kyrgyzstan. The meeting showed a very high degree of maturity in international relations in general, Yeltsin said. He spoke highly of the declaration signed by those attending the meeting in London, which, he said, gave an objective and wise assessment of the contemporary international situation.

Yeltsin, Delegation Return From Kyrgyzstan

LD2207202691 Moscow Radio Rossii Network in Russian 1900 GM 22 Jul 91

[Text] I have already said that Boris Nikolayevich Yeltsin has completed his visit to Kyrgyzstan. I was waiting for Nikolay Artemyev, our special correspondent, here in our studio but just a moment ago I learned that he is at Vnukovo Airport. Kolya, good evening.

[Artemyev] Good evening, I am listening.

[Announcer] You have some minutes to tell us how it was.

[Artemyev] Just a moment ago the airplane carrying Boris Nikolayevich Yeltsin, Russian Soviet Federated Socialist Republic [RSFSR] president, landed here at the Vnukovo Airport. The Russian official delegation returned with him after completing its visit to Kyrgyzstan. This was Boris Nikolayevich Yeltsin's first visit in his capacity as Russian president. The delegation included Ivan Silayev, RSFSR prime minister; RSFSR ministers; members of the republican Supreme Soviet; and other officials.

In Bishkek, capital of Kyrgyzstan, a whole number of important documents was signed. They include, first of

all, a treaty on the fundamentals of inter-state relations between the Russian Federation and the Republic of Kyrgyzstan, as well as economic agreements stipulating, among other things, Russia giving credits to Kyrgyzstan. This is not charity which would be humiliating for both sides, Boris Yeltsin stressed, but a mutually beneficial and equal cooperation of two sovereign states.

After the signing ceremony, a joint news conference was held by Presidents Yeltsin and Akayev. They both stressed the historic significance of the first equal treaty between Union republics. It is impermissible, Boris Yeltsin said, to arrange republics by rank. The stereotype of imperial policy should be scrapped, that is precisely why the Russian delegation visited Kyrgyzstan.

A mass friendship rally was held at the Sports Palace in Bishkek, where Boris Yeltsin, Askar Akayev, and representatives of the republican intelligentsia spoke. This afternoon the RSFSR president visited Cholpon-Aka stud farm where world-famous breeds are reared and also visited mountain pastures of Issyk-Kul.

So the first official visit by the RSFSR president has been completed. It has laid down good foundations of new, equal relations between sovereign republics. This was Nikolay Artemyev, information service.

Further on Rutskoy's New Democratic Communists

Conference Set for 2-4 Aug

LD2207172691 Moscow TASS in English 1604 GMT 22 Jul 91

[By TASS correspondent Igor Gvritishvili]

[Text] Moscow July 22 TASS—"The main goals of a future 'Democratic Party of Communists of Russia within the CPSU' are to work for the democratisation of Soviet society, counteract the forces of reaction and totalitarianism, and overcome the split in the democratic movement," Alekskandr Rutskoy, leader of the "Communists for Democracy" inner-party movement and vice president of the Russian Federation, told a news conference here today.

The organizing committee of the movement will hold a founding conference on August 2-4 to discuss a programmatic statement of the "Communists for Democracy" movement, drafts of rules, a programme and name of the party, Rutskoy said.

The conference is also expected to elect provisional leading bodies and an editorial commission to elaborate the main documents for a congress of the party.

Rutskoy believes that the goals and tasks of the future party are supported by about four million Communists in Russia. A majority of those who voted for the Yeltsin-Rutskoy tandem at the recent presidential elections constitute the future party's electoral basis.

The chairman of the organising committee of the "Communists for Democracy" movement supposed the movement will join the "Democratic Reform Movement" headed by Eduard Shevardnadze.

Commenting on the Russian president's decree dated July 20 on the de-partisation of state agencies, institutions and organisations in the Russian Federation, Rutskoy emphasised that his movement fully supports the Russian president's decision, because it "puts all political parties on an equal footing and enables officials to be guided in their work only by the constitution and legislative acts".

An address by the organising committee of the "Communists for Democracy" movement to communists in the Soviet Army and the Navy, KGB and Interior-Ministry agencies was circulated among journalists during the news conference.

"The critical position of the country urgently calls for democratic organisations, movements, and the democratic wing in the CPSU to pool efforts," the address points out.

The leadership of the Russian Communist Party "is blocking progressive democratic reforms in the country [words indistinct] the Russian Federation, thereby dooming the party to political demise," the address maintains.

In this connection the address urges Communists-servicemen to support the "Communists for Democracy" movement and through it the course towards attaining a real sovereignty, economic and spiritual revival of Russia.

Rutskoy Comments

LD2207191591 Moscow Russian Television Network in Russian 1700 GMT 22 Jul 91

[Report by correspondent S. Rybin on constituent conference of Democratic Party of Russian Communists, including recorded remarks by Aleksandr Rutskoy, leader of the Communists for Democracy movement and Russian vice president, at Communists for Democracy movement news conference on 22 July, place not given; from the "Vesti" newscast]

[Text] [Rybin] The constituent conference of the Democratic Party of Russian Communists will open on 2 August. A congress will be held later. This was announced at a news conference of the Communists for Democracy movement today. Members of the organizational committee of this intra-party movement and their leader, Russian Vice President Aleksandr Rutskoy, made their first public appearance all together.

[Rutskoy] The Democratic Party of Russian Communists is within the framework of the CPSU, within the framework of the CPSU, and our main goal and task is not only democratic reforms in our society but also,

correspondingly, the resuscitation of the Communist Party itself and its orientation toward a democratic platform.

[Rybin] Taking into account the cold attitude of Staraya Ploshchad to the movement and the unpredictability of the upcoming plenums of the CPSU Central Committee and the Russian Communist Party [RCP] Central Committee, however, Aleksandr Rutskoy does not rule out another possibility.

[Rutskoy] Well, forgive me, in such circumstances we will have the right perhaps to adopt a decision on setting up an independent party.

[Rybin] The new party, which even now numbers 4 million adherents, seems to be able to simply replace Polozkov's party in the Communist movement since the RCP, as a public organization, has not been registered anywhere, and from the legal viewpoint it does not exist. Besides, Rutskoy's party is going to claim a proportion of CPSU property and the size of this proportion will depend on the number of Communists joining the party.

Says New Party Not Split in CPSU

LD2307103491 Moscow Central Television First Program Network in Russian 0900 GMT 23 Jul 91

[From the "Television News Service" program]

[Text] A press conference was held in the building of the Russian Soviet Federated Socialist Republic House of the Soviets in Moscow today by the organizing committee of the Communists for Democracy movement devoted to the forthcoming constituent conference of the Democratic Party of Communists of Russia within the CPSU. This should be held at the start of August.

As the leader of the movement, Russian Vice-President Aleksandr Rutskoy, said at the press conference, the creation of the new party is not a split in the CPSU but a democratic transformation of it. There were other definitions: resuscitation of the party with the aim of building a democratic society in Russia. The new movement is setting itself the aim of turning the CPSU from a leading and directing force in society into a normal, strong parliamentary party, for whom communism is not a dogma but an entity developing freely in the spirit of the times. Time will tell to what extent this is possible. One thing only is clear today: The movement enjoys the support of the leadership of the Russian Federation, and in the event that the new party is successfully founded Boris Yeltsin and Aleksandr Rutskoy will get strong support in the form of an organized section of democratically minded Communists.

Once again, I would recall that the new movement is being set up within the framework of the CPSU. It will likely be a serious opposition to the Russian Communist Party, headed by Ivan Polozkov. As Aleksandr Rutskoy told the press conference today, according to preliminary estimates the movement can count upon the support of 3 or 4 million Communists. [Video shows Rutskoy speaking at press conference]

Details of Pavlov Tour of Kamchatka Peninsula

LD2207212391 Moscow Central Television First Program Network in Russian 1800 GMT 22 Jul 91

[From the "Vremya" newscast]

[Text] USSR Prime Minister Pavlov has finshed his working trip around the country. He has visited Yakutiya, Kamchatka, and Sakhalin. Here is a report which we received from Petropavlovsk-Kamchatskiy:

[Begin recording] [correspondent Plotskiy] Kamchatka is one of the most seismically dangerous regions in the USSR. The disasters which befell Armenia, Georgia, and other regions can happen on our peninsula, too. And it is not accidental that the prime minister of the country visited the Institute of Volcanology of the far eastern branch of the USSR Academy of Sciences situated in Petropavlovsk-Kamchatskiy. The institute's sicentists have presented to Valentin Sergeyevich Pavlov a detailed picture of a number of original projects and the results of collective research by the group of seismologists, volcanologists, geophysicists and geochemists on seismological problems.

Questions of the working and living conditions of the peninsula's fishermen were discussed at the meeting which Valentin Sergeyevich Pavlov had with the collective of the Petropavlovsk fish processing plant. This large enterprise is engaged in producing fish products which are delivered to shops in Petropavlovsk and neighboring settlements. By the way, since its commission several score years ago, the plant has never actually been refurbished. This has led to a situation where the collective of the plant has no means for the constant renewal of the range of its products, for improving their quality and increasing the volume of its fish production for the local population.

Valentin Sergeyevich Pavlov had several business meetings with the heads of the enterprises and departments, and representatives of the oblast and city soviets of the people's deputies and the executive committees. [end recording] [video shows Pavlov meeting various officials and talking to an audience of sicentists at the institute; walking through the fish processing plant, and observing its grounds]

Sakhalin Activities Described

PM2207155591 Moscow PRAVDA in Russian 22 Jul 91 Second Edition p 2

[TASS report: "V.S. Pavlov's Trip"]

[Text] Yuzhno-Sakhalinsk, 21 Jul—Yakutia, Kamchatka, and Sakhalin—that is the itinerary of USSR Prime Minister V.S. Pavlov's working trip around the country. Even Sunday was a workday for the head of government.

It began with a visit to the farm of Sakhalin [private] farmers Tatyana and Dmitriy Yatsemirskiy. V.S. Pavlov asked about relations between new forms of economic management and the existing state structures. This was also the topic of discussion, this time in the realm of fishing, with the workers of small enterprises in the settlements of Lesnoye and Okhotskoye and with maritime working people.

Problems of switching to market relations were at the center of attention in the government head's conversation with members of the oblast soviet presidium and the oblast soviet executive committee and at his meeting with representatives of the public. We should not tailor real life to fit an invented scheme but, on the contrary, restructure the scheme according to what history presents, V.S. Pavlov noted.

Asked by a TASS correspondent about the results of the trip, the prime minister said, in particular:

"First of all we wanted to find out what and where are the really new developments today. To find out where life is accepting and developing the ideas and initiatives coming from USSR laws and what, on the contrary, is being rejected and should be urgently abandoned. To find out what we should focus our efforts on. Today priority must be given in all sectors and spheres to the retooling and reconstruction of production. Here, I think, we will have to fundamentally make the widest possible use of any opportunities, including opportunities for attracting resources from abroad."

V.S. Pavlov also took part in a conference of Far Eastern kray and oblast leaders in Yuzhno-Sakhalinsk.

The USSR prime minister left Sakhalin today.

Foreign Minister Kozyrev Visits Romania

PM2207105991 Moscow IZVESTIYA in Russian 19 Jul 91 Union Edition p 5

[Report by correspondent V. Volodin: "Russia's Debut on Banks of the Dimbovita"]

[Text] Bucharest—The republican flag of the RSFSR [Russian Soviet Federated Socialist Republic] raised on the occasion of RSFSR Foreign Minister A.V. Kozyrev's official visit to Romania flutters over Bucharest's Otopen Airport. The visit is devoted to preparing for Russian President B.N. Yeltsin's visit to Romania, scheduled for the fall.

"Our visit is a continuation of Russia's European policy," the Russian minister said replying to my question on why he was visiting Romania. "There has already been Czechoslovakia," he continued, "and the Russian Government intends to maintain mutual relations with its neighbors, renouncing ideologized, distorted forms of cooperation. We now want to establish relations with our neighbors on a new basis. During the visit together with our Romanian colleagues we will discuss possible options for our political, economic, and cultural ties. I think that people in Romania, too, will understand that in the search for new friends we should not forget old ones. Russia's relations with other states are viewed by the Russian Government not as an alternative to the Union but within the framework of the USSR's ties with abroad."

I put a question about what prospects exist within the framework of Soviet-Romanian economic relations to V.F. Timofeyev, a member of the delegation and representative of the department of the RSFSR Ministry of Foreign Economic relations, who, in answering the question, stressed that Russia does not want to destroy the USSR's trade relations and will support Union initiatives. Regarding Romania, Russia would like to go beyond the framework of the existing agreement on trade.

"We intend to sign our own document which will define our mutual relations with Romania for a long period. But for a start we should like to define the principles of Russian-Romanian economic relations and in the next 18-24 months we plan to proceed along the lines of a trade agreement between the USSR and Romania," V.F. Timofeyev said.

Interviewed on Talks

PM2207143191 Moscow ROSSIYSKAYA GAZETA in Russian 20 Jul 91 p 1

[Interview with RSFSR Foreign Minister Andrey Kozyrev "a few hours before his departure from Bucharest" by IAN correspondent Anatoliy Korchevskiy: "Romania: One Old Friend Is Better Than Two New Ones"]

[Text] RSFSR [Russian Soviet Federated Socialist Republic] Foreign Minister Andrey Kozyrev visited Romania 16 through 18 July. A few hours before his departure from Bucharest IAN's correspondent met with Andrey Kozyrev at ROSSIYSKAYA GAZETA's request, and the minister shared his impressions of his visit to the Romanian capital.

[Korchevskiy] How would you assess the results of your visit to Bucharest? What areas of cooperation with Romania do you regard as most promising?

[Kozyrev] The results already apparently exceed expectations. My cautious approach before my arrival in Bucharest was based on the fact that only the first steps are being taken in organizing cooperation, and also on the grave economic situation in which both sides find themselves. My visit to Romania has yet again emphasized the correctness of our course toward Eastern and central Europe, which Boris Yeltsin adopted from the outset. We can and must turn to the West for advice and assistance, but it would be wrong to ignore the accumulated experience of cooperation with old friends, relations with whom must be placed on a qualitatively new

footing. We have seen for ourselves yet again that Eastern Europe is not lost to democratic Russia.

So far as prospects for the development of relations with Romania are concerned, we are encouraged by them. Although it is too soon now to say that the shelves of Russian stores will be filled with Romanian goods after my visit. We have done further work here on the declaration on political relations and the agreement on the development of direct economic ties between Russia and Romania. I think that the agreement has laid a substantial legal basis for economic development.

[Korchevskiy] Did you find anything interesting in Romanian experience of switching to the market?

[Kozyrev] Certainly. To back up what I say, I will cite specific examples. Romanian experience shows that, if we have embarked on the road of reforms, we should privatize the best enterprises. We should begin with the most viable. A system always needs support, and enterprises will be the locomotives that haul everything else after them.

We should urgently create the legal basis and conditions for trading and intermediary activity, and Romania's experience shows this very clearly. Moreover, there can be no question of any forms of cooperation until we achieve international standards in statistics. Unfortunately, our budget still remains confidential.

[Korchevskiy] Were the problems of the Russian ethnic minority, the so-called lipovani, people of Russian origin who left the country back in the 17th century for religious reasons, raised during the talks with the Romanians?

[Kozyrev] Yes, certainly. This is a major issue and we only sketched out future outlines. My meeting with representatives of the Russian ethnic minority in Romania made a great impression on me. They stressed that since the events of December 1989 they have begun to "breathe more easily." However, there are many problems. They mostly live in the Danube delta and find themselves in rather difficult conditions and run up against serious social and everyday problems. Despite the difficulties that exist in our country, I would like, via the newspaper, to ask our fellow citizens to help these people to establish closer contacts with the motherland and to assist them to acquire the necessary Russian books and textbooks, and to help them establish schools and revive centers of Russian culture. I think that now this assistance must come not from the state budget, whose potential is limited, but from the people's initiative. I feel great respect for these people, who have remained Russian for several centuries now since they left the motherland. They have an excellent command of their native language and retain the cultural, spiritual, and religious values of our people. My conversation with these people convinced me yet again that, in building the new democratic Russia, we must do everything to ensure that our fellow citizens never again leave the motherland because of repression and persecution.

[Korchevskiy] Can we suppose that your work in Bucharest will contribute to the productiveness of Boris Yeltsin's upcoming visit to Romania?

[Kozyrev] I hope so. Moreover, I believe that the Russian president's visit to Romania will help to advance our domestic reforms.

Sobchak Appoints Chief Economic Adviser

LD2007204291 Moscow Radio Rossii Network in Russian 2000 GMT 20 Jul 91

[Text] In Leningrad, Anatoliy Sobchak has appointed Anatoliy Chubays as his chief economic adviser. Chubays is the president of the international Leontyev Center for Social and Economic Research, which was set up recently, and is one of the initiators of creating a Leningrad free enterprise zone.

More on Kulik Party Resignation Statement

PM2207142191 Moscow ROSSIYSKAYA GAZETA in Russian 20 Jul 91 p 1

[Unattributed report: "Fewer and Fewer Rowers in Polozkov's Boat"]

[Text] It looks as though there will soon have to be a recruitment campaign to form the RSFSR [Russian Soviet Federated Socialist Republic] Communist Party Central Committee.

Yet another Central Committee member, Gennadiy Kulik, first deputy chairman of the RSFSR Council of Ministers, has refused to be aboard the same boat as Ivan Kuzmich [Polozkov, first secretary of the RSFSR Communist Party Central Committee]. Here is his statement:

"Recently the leadership of the RSFSR Communist Party Central Committee has been pursuing an agrarian policy that is fundamentally at variance with the laws, decisions, and resolutions adopted by the Russian Congress of People's Deputies and the republic parliament and government.

"Moreover, publications of a certain orientation are systematically boosting the negative aspects surrounding a number of decisions adopted by the Russian Government. The attempts by Russia's Government to stabilize the economic situation in the countryside and the resolutions adopted in this regard not only do not meet with support in their practical implementation but are interpreted in a skewed way as an attempt to wreck collective and state farms.

"The Central Committee leadership also provides no real support on questions of the development and emergence of peasant and individual farms in the republic.

"The attempt by the government to alleviate the food situation by allotting land to the residents of cities and industrial centers also met with a negative reception from the Central Committee leadership.

"In this situation I feel it is impossible to be a member of the RSFSR Communist Party Central Committee.

"While remaining a Communist, I will continue to work vigorously and cooperate with all forces inside the Communist Party and other movements that are fighting for economic and political sovereignty for Russia and for the formation of a Russian rule-of-law state."

Karachayevo-Cherkessk Oblast Secretary Resigns

LD2107155391 Moscow All-Union Radio First Program Radio-1 Network in Russian 1200 GMT 21 Jul 91

[Text] The plenum of the Karachayevo-Cherkessk Oblast committee of the CPSU has considered the matter of organization. In connection with the adoption of the Russian Soviet Federated Socialist Republic of the law on changing the Karachayevo-Cherkessk Soviet Socialist Republic as part of the USSR, it has been decided to change the oblast committee of the CPSU into the republican committee of the CPSU. The plenum released Lesnichenko, its first secretary of the oblast party committee, who tendered his resignation in connection with his transfer to another job. The elections of the first secretary of the Karachayevo-Cherkessk republican party organizations are to take place later, following the nomination and discussion of candidates in primary party organizations. Lesnichenko addressed the participants of the plenum urging them to support his application for resignation from the post of the chairman of the oblast soviet which he had sent to the oblast soviet of people's deputies. He used to combine the post with his post of party secretary. The plenum supported his request. The question of the chairman of the oblast soviet will also be considered by people's deputies.

Top Military Leaders Invited to Meeting

OW2207052191 Moscow BALTFAX in English 1500 GMT 19 Jul 91

[Transmitted via KYODO]

[Text] An article in a Latvian newspaper named "Sovyetskaya Molodyozh" says that commanding officers of all military districts and heads of military academies of the Russian Federation have been invited to attend a meeting of the politburo of the republic's Communist Party. Interestingly, the article is named "Going to Discuss a Coup?"

People's Congress Proceedings Viewed

PM2207113991 Moscow IZVESTIYA in Russian 18 Jul 91 Union Edition p 1

[I. Yelistratov, V. Kurasov, G. Shipitko report: "Russian Congress: Dispersed Until Fall"]

[Text] The 16 July evening sitting began with a report on the results of the conciliation commission's work to get out of the crisis in which the congress found itself after the failed attempts to elect a Supreme Soviet chairman. Of the four versions submitted, the deputies opted for the one which, in the opinion of the majority, settled in classic fashion the many days of confrontation. Two rivals—R. Khasbulatov, and S. Baburin—ended up "in tandem" [okazalis v odnoy "svyazke"]. One as chairman, the other as first deputy. No rivals, and thus no crisis.

Alas, no sooner had this accord been reached than it was destroyed by the congress president himself, who, as the deputies noted, either consciously or from clumsiness inflamed the atmosphere in the hall once again. Upon taking the floor, S. Baburin caused further chaos among the deputies by announcing that he is against concrete names being assumed in the proposed pairing of the two parliamentary leaders.

The next few hours of work at the congress showed that the difficult decision to embark on such a compromise for the sake of concord was spurned by factions standing on the "Communists of Russia" platform. Moreover, the still embryonic attempt at rapprochement also prompted others to return to their starting positions, and again we heard mutual reproaches and demands for additional guarantees that if R. Khasbulatov is elected chairman then his first deputy has to be S. Baburin. Members of the "Rossiya" faction immediately set on the latter, announcing that if he agrees to such a division of portfolios they will not support S. Baburin.

Even the "severe and strict" S. Goryacheva did not manage to calm inflamed passions in the hall and return them to the channel of normal logic and a desire to listen to one another. The break for consultations which was announced produced a new package of proposals. But this had already been heard repeatedly throughout the congress' work: that there should be a new ballot, that the discussion on "pairing" should continue, and finally that the question of electing a Supreme Soviet chairman should be carried over to the next regular congress. A long discussion resulted in the majority's deciding... to set about nominating candidates once again.

This decision brought the congress back to square one. But the deputies themselves did not seem to be at all alarmed by this. After all, the issue was not just about electing a chairman but about choosing Russia's political course. Thus, at any rate, it was the speakers themselves who defined the motivation for holding a new round of nominations and voting. The novelty of the whole situation lay in the candidacies for the post of the head of the Russian parliament. The names put forward at first included I. Polozkov, G. Starovoytova, Yu. Afanasyev, V. Isakov, S. Goryacheva—14 candidates in all. The 10 people who subsequently withdrew their candidacies for various reasons—including the following: "It is shameful to participate in this spectacle"—completely deadlocked the congress' work.

Then the deputies began insisting that President B.N. Yeltsin express his opinion. In his brief address, Boris

Nikolayevich urged deputies to stand above contradictions and seek the path to agreement. In his opinion, this path lies in electing the Supreme Soviet chairman in conjunction with the first deputy. Especially, noted the president, as R Khasbulatov firmly intended to execute the conciliatory commission's decision in the event of his being elected chairman by offering the post of first deputy to S. Baburin.

Obviously, this pacified the deputies' passions somewhat, and they decided, despite the late hour, to discuss the candidacies and to hold a vote. As a result, N. Arzhannikov and G. Starovoytova withdrew their candidacies. And two candidates were entered on the list for secret ballot to the post of the chairman of the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet—S. Baburin and R. Khasbulatov.

Only late in the evening did the latest round of voting finish, featuring the same old contenders. The results became known early in the morning. At its 17 July morning sitting, the tellers commission summed up the equally uninspiring result: Neithert one of the contenders had been elected. So what next? This question, which cannot but worry the many millions of Russians, arose with all its terrifying fatality. If today the people's chosen representatives, locked in a political clinch, cannot find the path to concord, then what lies in store for us in the event of the election to the post of head of the Russian Parliament of a man standing in opposition to the executive authority of the president?

At the 17 July morning sitting the deputies, having learned the results of the sixth round of voting, once again began suggesting various voptions for continuing or completing the congress. The floor was taken by one of the contenders for the post of chairman of the Russian Supreme Soviet, S. Baburin, who said that "it would be terrible if the deputies dispersed without electing a head of the parliament." I am prepared, announced S. Baburin, to hold talks with my supporters in order that they do not put me forward as a candidate.

It was logical to expect that the other contender R. Khasbulatov would also take the floor. In his view, there is nothing terrible in the situation which had emerged at the congress.

Insofar as it had become clear that, at the given stage, the Baburin-Khasbulatov rivalry was insurmountable, the latter proposed that the congress' work be postponed until the fall. By a majority of votes ("for" 825, "against" 74) the congress adopted this proposal.

Thus, the elections of the chairman of the Russian parliament and the members of the constitutional court have been postponed for approximately three months. According to Article 115 of the RSFSR Constitution, the chairman's duties will be carried out by his first deputy.

The congress ended, and it is possible to summarize its immediate results. We could not bring ourselves to use the word "work," as it was perfectly clear that rivalry had prevented the Russian deputies from overcoming their political bias. And if all four preceding congresses could be defined according to the stances of two blocs—"Democratic Russia" and "Communists of Russia"—then it turned out that this one witnessed what can be defined as a split in the democratic movement. It is quite clear that it will be difficult to overcome this split in time for the next congress. It could be said that the reason for this is the struggle for power and portfolios, and the ambitions of individual members of the democratic movement, but we do not think that this is the real problem. The main thing is that, having been deprived of the leadership of B.N. Yeltsin after his election to the post of president, they have not managed to promote a new leader from among their ranks. Several people made simultaneous claims to the role of leader, and consequently each one individually and all of them together received what amounts to a political knockout from the ideologically and structurally organized "Communists of Russia" faction.

Here, too, lie the lessons to be learned from the congress which has just ended. Only the next congress can tell us whether of not the crisis in the democratic movement will be surmounted. As the old saying goes: We will know in the fall what lessons people learn from what has happened.

Belorussia

Minsk Registers 'First' Unemployed Citizens

LD2007034691 Moscow TASS International Service in Russian 1304 GMT 19 Jul 91

[Text] Minsk, 20 July (TASS)—More than two hundred residents of the Belorussian capital have applied to the Minsk center for employment of the population since the start of July—the time when the law on "employment of the population of the Belorussian Soviet Socialist Republic" came into force. But only 27 of these have been given the status of unemployed people—the first to be officially registered in the town.

"In accordance with the Republican law on the employment of the population, only people who have lost their job, not on their own initiative, and who are actively looking for a job and in fact want to work are to receive reliable social guarantees," Vladimir Shidlovskiy, the director of the Minsk center for the employment of the population informed a TASS correspondent. "According to the convention of the International Labor Organization, unemployment benefits will be paid for 26 weeks at a minimum. Its size will depend on whether a person has worked at all or upon how long the person losing his job has worked, but it cannot exceed twice the level of the minimum wage, which in the Republic today stands at 70 rubles [R]."

The director of the center has reported that they are "in a position to search for suitable work for practically everyone who applies to them for aid." Today in Minsk, he continued, "there are 13,000 vacancies, although for the most part, they are for qualified working people. But the market economy is gathering force, and consequently it means that a powerful surge in unemployment is to be expected." Therefore, even now, a state fund for action on employment is being set up. "Before it was established, the executive committee of the town soviet of people's deputies set aside R450,000 for it which is to go towards paying benefits and organizing the work of our center," Vladimir Shidlovskiy said.

Party Leaders on Gorbachev, Other Issues

LD2207190191 Minsk ZVYAZDA in Belorussian 10 Jul 91 p. 1

[Excerpt] There is obviously no need to expand on the fact that the weight of this or that political party is determined by its representation both at the top and in the local governments, i.e. by its influence in solving all the socially important problems. The Communist Party [CP] of Belorussia holds the majority of seats both in the Belorussian Soviet Socialist Republic Supreme Soviet and the local soviets of people's deputies, which gives it certain privileges and, at the same time, imposes a high degree of responsibility. It is thus not surprising that a news conference for republican and local mass media journalists, which took place in Minsk the day before yesterday [8 July] and was dedicated to the subject of the activity of communists in the soviets, was very sharp. It touched upon the most painful problems of the republic's life and the communist deputies' influence on their solution.

A. Malofeyev, CPSU Politburo member and Central Committee of the Belorussian CP first secretary, noted in his introductory speech that the solution of difficult economic, social and political problems which our society is facing is possible only in an integral renovated union through the development of democratic processes. Foreign experiences and the recent events in Yugoslavia show that the road of separation of peoples united for many centuries carries only tragic consequences. And the peoples of the USSR have a fundamental economic, moral and cultural basis for strengthening unity. The proportion of communists in the Supreme Soviet is 88 percent, and in the local soviets of people's deputies it is 63 percent. Thus, they are responsible for the way the soviets function and for how their decisions correspond to people's desires. Cooperation of the soviets of different levels and increase of communist deputies' groups in their legislative initiatives are very important. A. Kamay, Central Committee of Belorussian CP second secretary and chairman of the coordination council of the party group in the republican Supreme Soviet, stressed in his reply to journalists' questions that the communists in the republic's parliament not only express their legislative initiative but also willingly support proposals and draft laws of the non-party deputies when these proposals are in the same channel with Soviet state policy.

Nobody noticed how the discussion at the news conference included very broad topics such as price policy, questions of the republic's sovereignty within the USSR, privatization and de-nationalization, the attitude of the Central Committee of the Belorussian CP toward the country's leadership. Speaking of his attitude toward the president of the country, A. Malofeyev did not hide behind a general diplomatic answer; he said honestly that he respects him for openness and democracy, but sees in him the lack of will-power and consistency. [passage omitted]

Ukraine

Kiev Rally in Support of Politician Khmara

OW2207115791 Moscow INTERFAX in English 1830 GMT 19 Jul 91

[Transmitted via KYODO]

[Text] An unsanctioned rally has been held in Kiev today, Friday, in defence of Stepan Khmara. It was sponsored by the Ukrainian Republican Party and some other opposition organisations. The speakers called for resolute defence of new political prisoners. The Ukrainian Republican Party read out its protest against the arrest of the Ukraine's People's Deputy Stepan Khmara.

Last night the Kiev OMON [Special Purpose Militia Detachment] (riot police) stormed the hotel where Khmara was staying. Neither volunteers' pickets nor barrad doors were of any avail. The police used tear gas and machinery to break down the doors. The guests and journalists witnessing the events were detained, including INTERFAX correspondent.

12 OMON men were injured, one badly, 11 on the other side. "We were enforcing the court order", explained militia Colonel Pyotr Kolyada to IF [INTERFAX] correspondent. "Our actions were legally correct. We had to use force and special devices. It's true that by-passers may have suffered".

Khmara Trial Continues

OW2307044991 Moscow INTERFAX in English 1830 GMT 22 Jul 91

[Transmitted via KYODO]

[Text] The trial of Stepan Khmara and other persons charged with violence against militia Colonel Grigoriyev during last year's celebrations of the October Revolution's anniversary continued on Monday...in the absence of the accused. INTERFAX reports that the defendants had been brought to the court building, but they refused to enter the courtroom, except Stepan Khmara and Vitaliy Vorobiyev who sat with their backs to the judges.

The presiding judge removed them one by one from the courtroom for this disrespectful conduct.

The militia Colonel Igor Grigoriyev gave evidence accusing S. Khmara and the others of beating him up and robbing him and demanded punishing them under full force of the republic's law.

A crowd of several thousand people gathered in the street by the court building calling for an end to the "judicial farce" and chanting anti-Soviet slogans.

Opposition Asks Stay on Union Treaty Signing

OW2307050991 Moscow INTERFAX in English 1830 GMT 22 Jul 91

[Transmitted via KYODO]

[Text] The civil initiative organization trying to consolidate the democratic forces in the Ukraine has appealed to the republic's parliament not to sign the new Union treaty before a new Ukrainian constitution is adopted. Its other demands are to introduce Ukrainian currency before next year and to restore to the republic its share of the gold, diamond and foreign exchange reserve. The civil initiative suggests that simultaneously with the presidential election appointed in the Ukraine for December 1, 1991 a referendum should be held in the republic on the question: should the Ukraine be an independent democratic state?

Communist Party Officially Registered

LD2207161591 Moscow TASS in English 1456 GMT 22 Jul 91

[by UKRINFORM-TASS correspondent Aleksandr Litvinov]

[Text] Kiev July 22 TASS—The Communist Party of the Ukraine was officially registered at the republican Ministry of Justice today and its first secretary and member of the Soviet Communist Party Politburo Stanislav Gurenko received a corresponding certificate.

The communist party is the biggest public organisation in the republic, grouping more than 2,700,000 representatives of the working class, peasantry and intelligentsia. The party was founded in July 1918.

A spokesman for the Ukrainian Ministry of Justice told UKRINFORM-TASS that more than a hundred public associations and five parties had already been registered in the republic.

The five parties are: the Ukrainian Republican Party, the Ukrainian Peasant Democratic Party, the Greens Party, the Democratic Party and the Communist Party of the Ukraine.

Government To Set Up Nationality Committee

LD1907152591 Moscow TASS in English 1319 GMT 19 Jul 91

[By correspondent Aleksey Petrunya]

[Text] Kiev July 19 TASS—The Ukrainian Government has decided to set up nationality committee at the Council of Ministers of the Ukrainian Republic. Its aim is to pursue a single state policy in the sphere of inter-ethnic relations, to maintain control over observance of legislation in ethnic problems, to create conditions for meeting the social and cultural demands of ethnic groups in the country, to present and safeguard the interests of the Ukrainian people in the USSR and in other countries.

The Ukrainian Republic has a population of 52 million people with representatives of more than hundred nationalities and ethnic groups. The 75 percent majority are Ukrainians, but there are also 11 million Russians and three million people of other nationalities including which are Jews, Belorussians, Moldavians, Poles, Bulgarians, Hungarians, Romanians and Greeks. Dozens of national culture and national revival societies have been set up in the Republic. Besides its main functions, the new committee will contribute to the creation of new societies and development of existing ones.

Moldova

Government To Compensate For Price Hikes

LD1907143091 Moscow All-Union Radio First Program Radio-1 Network in Russian 1000 GMT 19 Jul 91

[Text] The government of Moldova has decided to compensate enterprises and organizations of the republic's agro-industrial complex for additional expenditure connected with the rise in wholesale and retail prices. It is introducing supplements to the purchase prices currently in force for grain, sunflower seed, sugarbeet, meat, and milk. It has been decided to establish contractual prices for vegetables and other agricultural produce. Fifty percent of the trade mark-up obtained from sales of wine and cognac at contractual prices will go on supplements to the purchase prices for grapes. It has also been decided to write off the debts of farms on bank loans taken out for the construction of social facilities in rural locations, and these amounts will be transferred to the internal state debt.

Georgia

Gamsakhurdia Contacts Mutalibov Over Attacks

NC2207120891 Baku Radio Baku Network in Azeri 1700 GMT 18 Jul 91

[AZERINFORM report]

[Text] Although the ink of the recent agreement signed between Georgia and Azerbaijan is fresh, MAYAK Radio and the [name indistinct] television program have carried an important report from Tbilisi. The report said that President Zviad Gamsakhurdia of Georgia has conveyed a letter to President Ayaz Mutalibov of Azerbaijan informing him that houses belonging to Georgians in Azerbaijan have been attacked and destroyed and the forests in the nearby mountains cut. The report also claimed that the local organs have blocked off several rayons in Azerbaijan to cut their links with Georgia.

After receiving this report from TASS channels as well, an AZERINFORM correspondent asked the deputy director of SAKINFORM to comment on the report. He said: We have no information on this report. It was drawn up and conveyed to Moscow by (?Katetkov), correspondent of the Soviet television network in Georgia who lives in (?Rostavi).

The AZERINFORM correspondent then asked Osman Rizayev, head of the Azerbaijan presidential press office, to explain the situation. At this point he, too, was in Tbilisi when the agreement was signed between Azerbaijan and Georgia. Rizayev said: It is true President Gamsakhurdia handed a letter to President Ayaz Mutalibov during their meeting in Tbilisi. He explained in a very polite manner that Azerbaijan's failure to meet some of the cultural and moral demands of the Georgian people in the republic has made him uneasy. Ayaz Mutalibov said he, too, regretted having received reports [from Georgia] on similar claims.

The two sides considered the reports and said they were prepared to resolve the existing problems soon. Gamsakhurdia's letter is being studied carefully in Azerbaijan. Special committees will be dispatched to various places in the republic. We believe all the shortcomings in Azerbaijan and Georgia will be rectified. The people of Azerbaijan and Georgia have been friendly for many centuries. Unresolvable problems do not exist between us, particularly in the field of cultural cooperation. It is common knowledge that what was discussed between the two sides was businesslike cooperation, not matters pertaining to plundering, ransacking, destruction, and raids. The new step that has been taken to strengthen relations between the two republics obviously has not pleased a number of individuals. They consequently have decided to instigate discord between the two peoples.

Gamsakhurdia's Azerbaijan 'Accusations' Rebutted

AU2307102091 Tbilisi SAKARTVELOS RESPUBLIKA in Georgian 19 Jul 91 p 1

["Statement by the Press Service of the President of the Republic of Georgia:" place and date not given]

[Text] On 16 July, information from the TASS correspondent A. Kochetkov entitled "Gamsakhurdia Accuses Azerbaijan" was spread through the channels of TASS.

In reality, no accusations were directed at Azerbaijan. During President Mutalibov's visit to Tbilisi, President Gamsakhurdia handed him a letter that stated that the leaders of the sovereign states should direct all their efforts to guaranteeing the cultural autonomy of Azerbaijanis living in Georgia and Georgians living in Azerbaijan. The same thing was said during President Mutalibov's meeting with representatives of the Azerbaijani and Georgian public and also at the news conference that was held after the meeting between the two presidents.

Manipulating excerpts from President Gamsakhurdia's letter and distorting its meaning, Batoni [Georgian polite form of address] Kochetkov is trying to create the impression that the Georgian side is placing responsibility on the current Azerbaijani leadership for the existence of serious problems that are referred to in the letter. For this purpose, the TASS correspondent does not even refrain from transferring to the present the majority of facts and events in the president's letter that relate to the past.

In connection with this, the Georgian president's press service is fully empowered to state that all these problems arose many decades ago following the annexation and occupation of Georgia by units of the Red Army and the establishment of Soviet power in the Caucasus and as a result of a policy implemented throughout all these years by the Soviet leadership that was aimed at instigating and fomenting national discord that was felt and continues to be felt with particular pain in the Caucasus. It is by no means the intention of the Georgian side to accuse the current Azerbaijani leadership and especially the Azerbaijani people as a result of the problems raised in the letter.

We believe that the resolution of problems that we have inherited from the totalitarian regime does not necessitate the leveling of accusations at one another as the correspondent Kochetkov is trying to claim.

The meetings between the presidents of Georgia and Azerbaijan and the Treaty of Friendship and Good-Neighborliness that they have concluded represents a splendid start to the establishment of lasting peace and stability in the whole region and the settlement of the aforementioned problems.

Interstate relations between Georgia and Azerbaijan that are conducting an independent foreign policy and are aiming to avoid interfering in each other's internal

affairs will serve as the best guarantee for resolving all those problems that were referred to in President Gamsakhurdia's letter.

Government Discusses Socioeconomic Situation

AU2307072691 Tbilisi Radio Tbilisi Network in Russian 1430 GMT 22 Jul 91

[Text] [Word indistinct] of Georgian cities and rayons assembled in the Government of Georgia to discuss the difficult socioeconomic situation in the republic and to outline ways to overcome it. It was stressed at the session that the center is trying to do everything to further aggravate the situation in the republic and has, in fact, imposed an economic blockade on it and led its economic mechanism, which was in a crisis situation, to catastrophe. Tengiz Sigua, chairman of the Government of the Republic of Georgia, spoke at the session. He presented a comprehensive and objective picture of the socioeconomic situation in today's Georgia. It was pointed out in particular that the decrease in the supply of raw materials has almost halted the work of many Georgian enterprises and factories. A crisis has emerged in the supply of fuel and energy. The shortage of fuel has created difficulties even in the delivery of bread to the population. The government of the republic is taking all necessary measures to stabilize the situation. Of course, a great role here belongs to active cooperation between local organs of power on the one hand, and ministries and departments on the other. It is precisely the questions of such cooperation that became a subject of an in-depth discussion.

Work of South Ossetian Commission Assessed

AU2007110891 Tbilisi SVOBODNAYA GRUZIYA in Russian 10 Jul 91 p 2

[Article by Beso Tskhorageli under the rubric "News About Shida Kartli:" "Justice Has Been Restored. For How Long?"]

[Text] **"The Commission of the Supreme Soviets of the USSR, the Russian Soviet Federated Socialist Republic, and the Republic of Georgia with the participation of representatives of the population of the conflict region, proceeding from the statutes of their Constitutions that recognize the state sovereignty and territorial integrity of the Republic of Georgia and the norms of international law that recognize the principles of non-interference in the internal affairs of a sovereign republic and having familiarized themselves with the true state of affairs in this region, have come to the conclusion that the present conflict is hindering the normal process of the restoration of the state independence of Georgia in accordance with the expression of the will of its citizens in the referendum of 31 March 1991, is connected with the attempt by certain hostile forces to violate the territorial integrity of the republic, and has a political base."**

With this fairly expansive but ultimately objective assessment that has been fixed in the protocol of the interparliamentary commission formed in accordance with the resolution of the USSR Supreme Soviet Soviet of Nationalities of 24 April 1991 "on Proposals for Normalizing the Situation in and Around South Ossetia," began the press conference of members of the commission in the Republic of Georgia Supreme Council.

Answering journalists' questions, deputies Nodar Natadze and Gela Chorgolashvili assessed the work of the commission as being on the whole positive. At the same time, they expressed their dissatisfaction with the inconsistent position of the center that can be explained first and foremost by the presence of a multitude of discrepancies in the Union Constitution. In particular, the center is adopting a dual position regarding the sovereign republics and to the autonomies that are incorporated in them. They are, as always, playing a double game. This evidently explains why the situation in Shida Kartli [area of Georgia into which South Ossetia has been incorporated under its historical name of Samachablo by the Georgian Government] cannot be brought under control. The deputies remarked that the situation in Tskhinvali remains, as before, out of control; criminal elements are continuing to make the situation extremely dangerous. Criminal bands are, for all intents and purposes, influencing all the processes taking place in Samachablo. This is not surprising because, while the commission was working, a deputation of "black colonels" from the "Soyuz" group, specifically Alksnis, Kogan, and the party functionary Chekhoyev, who has been ostracized by the Ossetians themselves, tried to discredit the decision on the creation of an interparliamentary commission and held a meeting. Furthermore, they demanded to review the results of the work of the commission substantiating this with information claiming that there was an Ossetian concentration camp in Dusheti Rayon. These former partycrats and ideologists of power have evidently accustomed themselves to using familiar concepts in their thinking such as barracks, crematoriums, cudgels, zeks [concentration camp inmates] and so forth, not refraining from either lies or provocations.

What did the commission decide and why did this decision anger the apologists of Soviet power so much? In short, a coordination committee is to be established within two weeks that will be attached to the interparliamentary commission on a parity basis; its fundamental aim will be to coordinate the efforts of the organs of state power in restoring economic activity and guaranteeing the security of the region's inhabitants and also a multitude of other functions aimed at normalizing the situation.

It is necessary to point out that what is meant by the term "normalization" is, first and foremost, the normal functioning of economic components. This point of view was shared by all the commission's members who unanimously recognized the conflict as being a purely political one. A resolution of the situation falls wholly within the jurisdiction of the Republic of Georgia alone.

The commission has decided to restore the territorial militia organs and the functions that they fulfill. The complete disarmament of all illegal armed formations should be carried out by joint forces of the USSR Ministry of Internal Affairs [MVD] Internal Troops and the corresponding territorial squads of the Republic of Georgia MVD; Georgian MVD forces will fulfill this function outside the frontiers of the defined zone under the state of emergency.

The commission devoted particular attention to the question of the activity of the state authorities in creating the conditions under which Georgian refugees would be able to return to their places of permanent residence and receive compensation for the losses they had suffered; particular attention was also given to the resolution of legal problems and eliminating the consequences of the earthquake. In addition, it was emphasized that it was necessary to halt all unlawful acts of hostage taking.

The protocol signed by deputies of the three parliaments is all-embracing and consists of eight points and provides for the practically painless resolution of many problems. It is interesting that the interparliamentary group sees that one of the main levers for resolving the conflict is in the acceleration of the formation of a commission to regulate the whole range of political, economic, social, and other questions connected with the restoration of the state independence of the Republic of Georgia on the basis of the act adopted by the republic's Supreme Council on 9 April 1991 recognizing its right to independently resolve the question of signing the Union treaty.

Finally, the commission also refuted rumors claiming that a mass emigration of the Ossetian population from Georgia had begun. Having visited regions densely populated with Ossetians, the commission established that those leaving are primarily young people who are abandoning their families and, what is important, their reasons for doing so are not political.

Nodar Natadze, the second Georgian representative of the commission at the press conference, accepted in the main the conclusions of his colleague regarding the work of the interparliamentary commission but expressed his disagreement ds "South Ossetia" which he viewed as an infringement of the sovereign rights of the republic. Then he expressed his mistrust with the joint activities of the Georgian militia and the USSR MVD Internal Troops and added that time will tell if this is the correct decision.

The first steps in restoring justice have been taken. It now remains to fill the protocol with real content. To what extent this will succeed, time will indeed tell.

Delegation Officially Invited to Israel

AU2307110091 Tbilisi SAKARTVELOS RESPUBLIKA in Georgian 9 Jul 91 p 1

[SAKINFORM report on the meeting between Murman Omanidze, first deputy chairman of the Government of the Republic of Georgia, and Efriam Guri, Israeli deputy minister of transport in Tbilisi; date not given: "The First Steps"]

[Text] Murman Omanidze, first deputy chairman of the Government of the Republic of Georgia, received Efriam Guri, Israeli deputy minister of transport.

"In today's situation, Israel has been able to do the maximum possible regarding the development of official relations between the two countries," said the guest. Serious preliminary work has already been completed to conclude a treaty between the parliaments of Georgia and Israel. The Geogian side expressed the desire to undertake such cooperation, and a Georgian parliamentary delegation has been invited to Israel for negotiations.

It is unprecedented that a parliamentary delegation is being officially invited to Israel without consultation with the USSR central government. At the same time, this will act as a clear stimulus regarding according legal status upon Georgia by the European countries if only at the level of interparliamentary relations.

Batoni [Georgian polite form of address] Murman Omanidze thanked Batoni Efriam Guri for his considerable and fruitful efficiency.

During the meeting, there were businesslike talks on specific questions pertaining to the resolution of problems involving air flights between Georgia and Israel.

Aleksander Chkheidze, the republic's minister of transport, and Irakli Andriadze, prefect for Tbilisi, participated in the talks.

International Conference on Black Sea Hosted

AU2007110091 Tbilisi SAKARTVELOS RESPUBLIKA in Georgian 13 Jul 91 p 1

[SAKINFORM report: "They Are Discussing the Problems of the Black Sea"]

[Text] Today, 13 July, an international conference devoted to the ecological problems of the Black Sea begins its work in Batumi. The conference has been organized by Georgia's Greens, the Supreme Council of the Republic of Georgia, and the Supreme Council of the Adzharian Autonomous Republic.

The aim of the conference is to coordinate the activities of the greens and environmental protection organizations of the Black Sea states and other European countries in order to focus the maximum attention of world public opinion on the ecological problems of the Black Sea; to get work started at the level of heads of state on the elaboration of appropriate projects and agreements; and to promote the adoption and implementation of ecological legislation on the Black Sea in these countries.

Guests from Bulgaria, Turkey, Romania, the Ukraine, and Estonia are taking part in the work of the conference.

Gamsakhurdia Urges Cooperation

AU2007110191 Tbilisi SAKARTVELOS RESPUBLIKA in Georgian 13 Jul 91 p 1

[Message from Zviad Gamsakhurdia, president of the Republic of Georgia "to the participants of the international meeting devoted to the problems of the Black Sea"—12 July 1991]

[Text] The Georgian people and the leadership of the Republic of Georgia are extremely concerned about the most serious ecological situation that has been created in the Black Sea. The pollution of the sea from communal and industrial waste, the erosion of the shoreline, the destruction of the sea's ecosystem, and the increase in the non-oxidizing hydrogen sulphide layer have indeed become alarming. We, the Black Sea states and peoples, are faced with the danger that we may lose our common sea as a unique living system.

Those totalitarian regimes that, in the recent past, ruled over almost all the Black Sea states are undoubtedly responsible for the current serious ecological situation in our region. A clear example of this is what has happened in Georgia where the Communist approach to the living environment and the ruthless and barbaric exploitation of our natural resources have resulted in a universal ecological crisis in our country.

How can we resolve this problem? First and foremost through international cooperation on a wide scale and through the unification of all our efforts and potentialities. It is a fact that no state on its own can cope with this problem. From this point of view, it is very important that not only the Black Sea countries but also those through which the Danube flows undertake the responsibility, in connection with the situation that has taken shape, to take part in the implementation of international programs.

We attach very great importance to the development of contacts in this direction not only at a governmental level but also at a non-governmental level such as the participation of social organizations in the formation and implementation of programs of cooperation. It is precisely on this account that we welcome the participants of the meeting in Batumi and express the hope that they will make their own contributions to the mobilization of public opinion and to outlining concrete plans for the future.

Georgia is ready to play host to future international meetings at any level whose aim will be to resolve the problems of the Black Sea and lay the basis for the implementation of concrete initiatives.

We welcome the idea of the Black Sea as a zone of peace, cooperation, and security!

Zviad Gamsakhurdia, president of the Republic of Georgia
Tbilisi, 12 June 1991.

Armenia

Ter-Petrosyan Not To Attend Novo-Ogarevo Talks

PM2207154991 Moscow PRAVDA in Russian 22 Jul 91 Second Edition p 1

[From PRAVDA, TASS, INTERFAX, and AZIYA-PRESS roundup under the rubric "News for the Issue"]

[Text] Levon Ter-Petrosyan, chairman of the Armenian Supreme Soviet, will not go to Novo-Ogarevo to discuss the Union treaty. That is the decision adopted by the Armenian Supreme Soviet Presidium. An INTERFAX correspondent notes that a majority voted in favor of L. Ter-Petrosyan traveling to Novo-Ogarevo, but they could not muster enough votes to get the decision adopted.

Militia Prepared 'To Repulse' Border Attacks

LD2107191291 Moscow Russian Television Network in Russian 1700 GMT 21 Jul 91

[From the "Vesti" newscast]

[Text] As "Vesti" has already reported, the USSR Ministry of Internal Affairs and the USSR KGB have been repeatedly informed that large groups of armed people are attacking Armenian villages situated in the border area. Cases of attacks from helicopters and planes, which generally fly without wing markings, were registered. All these appeals were left unanswered by these powerful departments. Then, at the agreement of the republic's leadership, the Armenian Ministry of Internal Affairs sent an operational group of militia under Colonel Gavlen Turutyan, deputy minister, to Vardenisskiy Rayon. The detachment, as the deputy minister noted, has clear orders to repulse any actions that violate the Armenian border.

Ministry Threatens To Shoot Down Helicopters

LD2007213291 Moscow Russian Television Network in Russian 1700 GMT 20 Jul 91

[From the "Vesti" newscast]

[Text] Last night and this morning military helicopters carried out many tours of surveillance of Armenian villages at Noyemberyanskiy, Zangizurskiy, and Shaumyanovskiy Rayons. The Armenian Ministry of Internal Affairs gave an ultimatum to the command of the 4th Army stationed in Azeri territory that if surveillance continues, the helicopters will be shot down. The republican Ministry of Internal Affairs reports that in a number of instances the 4th Army has failed to coordinate its actions with the higher command and conducts

actions on its own. In fact, many commanders of middle ranks have been bribed by the Azeri authorities.

Azerbaijani Attacks on Armenian Villages Reported

NC2107123291 Yerevan Radio Yerevan International Service in Armenian 1830 GMT 20 Jul 91

[Text] Taking advantage of the indifference shown by the observers since the first day the 7th Army contingents were deployed in Armenia's Zangezur, the Azerbaijanis continue their barbaric attacks, murders, and stealing of livestock. On 17 July, armed Turkish horsemen attacked the Khnatsakh livestock farm in Gorisskiy and drove out 1,500 head of cattle toward Azerbaijan's (Kilbadzharskiy). Shepherds Gavrusha Simonyan and Misha Gyulmushyan were killed in the unequal fight.

Around noon on 18 July, a group of armed men dressed in black infiltrated and advanced 3 km into Vardenisskiy and opened fire on the residents of Armenian villages who were reaping fodder at that time. The Armenian militia unit that rushed to their aid demanded that the fire cease. The attackers answered with autonomatic rifle shots. When the fire was retaliated, the attackers retreated into their territory. (Volan Dzhafarov), who was trying to steal 60 head of livestock, was taken captive.

On the same night an unmarked aircraft took off from Azerbaijani territory and flew over the gold mine in Sokh village and opened fire at the militia unit from an altitude of 100-150 meters. Once retaliatory fire was opened on the aircraft, it flew into hiding.

Last night gunfire and automatic rifle fire was opened from Azerbaijan's Kubatly and Lachinskiy on a number of establishments in the fields of villages in Gorisskiy. There were no casualities. A number of houses in (Kornidzor) village were damaged.

OMON Troops Involved in NKAO Operations

LD2007005691 Moscow Russian Television Network in Russian 2000 GMT 19 Jul 91

[From the "Vesti" newscast]

[Excerpts] On the subject of acute ethnic conflicts in our country, events around the Nagorno-Karabakh Autonomous Oblast [NKAO] today occupy center stage. As always, in summing up the day, we try to offer information obtained from all sources.

Villages in Armenia's Gorisskiy Rayon came under automatic and artillery fire from the Azerbaijan side this morning. No casualties are reported. According to the INTERFAX agency, a unit of the 4th Army—of the Soviet Army—yesterday crossed from Azerbaijan into Armenia and exchanged fire with the local militia. One serviceman was wounded and one taken prisoner. Stepanakert airport is closed. Its director, in a cable to the Internal Affairs Ministry, has said this was because of special Purpose Militia Detachment [OMON] activities.

Reports on the situation come in many versions. Reports from Armenia remind one of communiques from a war front. Baku's version of events is that on 15 July passport checks began. This is also the version which the USSR Internal Affairs Ministry goes along with. And today, that ministry provided us with a chronicle of how the operation had taken place.

[Unidentified correspondent] The Internal Affairs Ministry reports passport checks and measures to confiscate illegal weapons were carried out in three Azerbaijan villages—Buzuluk, Manashid, and Erkech. Before the operation started, messages were broadcast using loud speakers to explain the purpose of the actions:

[Unidentified individual] Esteemed residents of the village of Buzuluk. Militia units are about to enter your village for the purpose of preventing illegal armed formations from penetrating your village. We ask you to remain calm and get on with your daily work. None of you will be humiliated, insulted or arrested.

[Correspondent] However, the presence of armed people in the villages led to the Azerbaijan OMON units being fired on from the woods, from the village, from houses, and from Kraz trucks. Two militia personnel received gunshot wounds and the law enforcement personnel opened fire in return. There were casualties on the other side. In the course of the operation a radio relay station was blown up. "Vesti" has also reported on this. In the operation, the village of Erkech was cleared of Armenian guerrillas by OMON forces.

The commander of the Azerbaijan OMON detachment describes events near the village of Erkech in an interview with USSR Affairs personnel. [video shows unidentified OMON officer] [passage omitted including indistinct portion]

[Studio Announcer] You have been watching video shot over recent days by USSR Internal Affairs Ministry personnel. They showed neither tanks, nor aircraft, nor Soviet troops, the presence of which the USSR Internal Affairs Ministry officially denies. But, it is true that we did not actually see the Armenians for whose sake the action was supposedly carried out. So how far the picture presented is objective is for those who have actually been there must judge. Tomorrow, we hope to bring you an eyewitness in the form of a television journalist from Bulgaria.

'Deportation' of Armenians Continues

LD2107194191 Moscow Russian Television Network in Russian 1700 GMT 21 Jul 91

[Text] According to a report from the SNARK Information Agency, the deportation of the Armenian population from Azerbaijan continues. Despite the fact that the army and OMON [Special Purpose Militia Detachment]

are using combat equipment, so far the Armenian population is managing to repulse the attacks. Last night the settlements of Buzluk and Erkech were subjected to artillery fire and were constantly overflown by helicopters.

The other day a delegation of the NKAO [Nagorno-Karabakh Autonomous Oblast] plenipotentiary representatives left for talks in Baku. So far, the leadership of the KGB and MVD [Ministry of Internal Affairs] say that measures will be taken.

Legislature Decides on 5-Year Presidential Term

NC2207154191 Yerevan Radio Yerevan Network in Armenian 1000 GMT 22 Jul 91

[Text] The second session of the first convocation of the Armenian Republic's Supreme Soviet continued its deliberations today.

Chairman Ara Saakyan, Supreme Soviet secretary, submitted a bill on the presidency of the Armenian Republic for initial discussion.

The first question to arise was whether the holder of this position would be known as the president [preceding word in English] or the nakhagah [chairman or president]. It was decided that the word nakhagah will be used to describe the holder of this position, and it will be translated as president [preceding word in English].

The discussion then turned to the question of how long this person will serve, with proposals put forward to limit the term of office to two, three, or five years. A vote was held and the first two proposals were rejected, as the five-year term had already been endorsed at the bill's first reading. It was agreed, therefore, that the term of office would be set at five years.

Decision Marks Step Toward 'Accord' on NKAO

PM1907112891 Moscow PRAVDA in Russian 19 Jul 91 Second Edition p 2

[PRAVDA correspondent A. Khanbabyan report: "Steps Toward Accord"]

[Text] Yerevan—We are used to a flow of alarming reports emanating from Nagorno-Karabakh and the region of the Armenian-Azerbaijani border: Bloodshed, people dying, whole villages deported.... But now it seems there is a glimmer of hope.

On 15 July the Armenian Supreme Soviet adopted a document which could apparently be of great significance for stabilizing the situation in the region. After long and difficult debates, the republic parliament approved a resolution wholeheartedly supporting the statement of the meeting of plenipotentiary representatives of working people of the NKAO [Nagorno-Karabakh Autonomous Oblast] and their message to the USSR president containing proposals on the restoration of constitutional order and an end to violence in the oblast.

What is the essence of these documents? Most importantly, they wholly reject confrontation, and are directed against attempts to resolve the conflict by means of strong-arm tactics. The statement stresses, in particular, that the NKAO "remains loyal to the constitutional system and sees its further existence on the basis of equal rights within a renewed Soviet federation." In order to achieve a peaceful settlement, the representatives of the Armenian community propose a series of concrete measures, including the revision, by all parties involved in the conflict, of decisions they have adopted that are contrary to the USSR Constitution.

Here it should be noted that such proposals have been made by the Armenian side before, but this is probably the first time they have been expressed so clearly and distinctly in the form of a parliamentary resolution.

True, this decision did not come easily. There are still many in the republic who call this approach "capitulation." These sentiments also affected the work of certain parliamentarians, who proposed that current events be assessed as "the Armenian people's national liberation struggle." It is not hard to imagine the flare-up in tension that such a decision could have provoked.

Fortunately this did not happen, and reason prevailed. This happened largely thanks to the firm and principled position of Supreme Soviet Chairman L. Ter-Petrosyan. Several times in the course of the session he mounted the rostrum to persuade parliamentarians to recognize the extent of their responsibility for the people's fate, and succeeded in convincing them.

So an important step has been taken along the path to reconciliation and accord. A hand has been extended. It is now up to the Azerbaijani side and the central organs of power.

Draft Market Economy, Enterprise Laws Discussed

NC2107125391 Yerevan Radio Yerevan International Service in Armenian 1830 GMT 20 Jul 91

[Text] An expanded session of the Supreme Soviet's permanent committees covered the draft plan proposed by the Armenian Republic's Council of Ministers on changing to a market economy and the Armenian Republic's draft law on enterprises. During the five-hour discussion, the two documents were studied in detail, paragraph by paragraph.

It was deemed advisable to present the Supreme Soviet with the draft state plan for the market economy transition and to include the conclusions the committees drew and the proposals they made.

Describing the draft law on enterprises as generally positive, the committees nevertheless decided to return it to the appropriate Supreme Soviet committees for

revision and final [words indistinct] until its submission for examination by parliament.

Azerbaijan

Mutalibov Meets NKAO Leaders in Baku

LD2207151191 Moscow TASS International Service in Russian 1411 GMT 22 Jul 91

[Text] Baku, 22 Jul (TASS)—"Developing initiatives for stabilizing the situation in Nagorno-Karabakh, President Ayaz Mutalibov of Azerbaijan had a meeting in Baku with a group of leading workers representing the Armenian section of the population of Nagorno-Karabakh Autonomous Oblast (NKAO)," reported Natan Barskiy, correspondent of the AZERINFORM agency. According to him, those taking part in the meeting concentrated on problems of normalizing the situation in Nagorno-Karabakh and regulating the economic and financial ties between the autonomous oblast and the republic.

As the AZERINFORM report points out, there was reference at the meeting to the fact that "the inhabitants of Nagorno-Karabakh will do everything possible to establish tranquility and security on the territory of the NKAO." It was stated that "the Armenian community condemns the recent murders of citizens in the village of Karadagly in Martuninskiy Rayon, and in Askeranskiy Rayon. Readiness was expressed to contribute toward the participation of the NKAO population in the Azerbaijan presidential elections."

Report on Foreign Delegation Visit to NKAO

NC2207172891 Baku Radio Baku Network in Azeri 1700 GMT 18 Jul 91

[Text] The Nagorno-Karabakh Autonomous Oblast [NKAO] problem has persisted for four years now, and Azerbaijan has been the focus of steadily increasing foreign interest throughout this time. Visits here by various foreign delegations give us reason to hope that they will gain a better understanding of the causes of the unfortunate NKAO problem, which the Armenian nationalists have imposed on the Azerbaijani people, and of the resolute and principled position maintained by the republic's leaders to safeguard Azerbaijan's sovereign rights and interests.

Various officials, including El'mira Karafova, chairman of the Azerbaijan Republic Supreme Soviet, and Viktor Polyanichko, second secretary of the Azerbaijan Communist Party Central Committee and chairman of the NKAO Organization Committee, recently welcomed a delegation of parliamentarians, (?UN experts), and [word indistincts] and lawyers from the United States, Britain, and Japan at Baku airport. The visitors planned to go to the NKAO so that they could learn the facts of the situation in and around the oblast without being influenced by the parties to the dispute.

The delegation first met with President Ayaz Mutalibov and then traveled to the NKAO accompanied by Viktor Polyanichko. Once there, the visitors were briefed on the situation during a meeting at the NKAO Organization Committee's headquarters. They were particularly interested in the status of arrested members of the armed bands and the situation of Armenian nationals, as well as in the question of respect for the human rights of the Armenians in the NKAO. The guests then visited the prison in Shusha, where they were allowed to meet the deputies who have been jailed for their role in various disturbances and other illegal activities, after which they toured a number of Azerbaijani and Armenian towns and held talks with the oblast's people.

The guests were also received by the Azerbaijan State Committee for Refugee Affairs and held talks with parliamentarians, scholars, and representatives of the law enforcement organs in the Azerbaijan Supreme Soviet. The Azerbaijani side at the talks noted that more than questions of land or national rights need to be considered when one is trying to protect human rights. All aspects of a problem must be addressed if a political solution is to be found without resorting to the use of force. It is also essential that the international community know the truth about the incidents in the region and the [word indistinct], reasons, and organizers of the NKAO problem.

Azerbaijan has made many appeals to foreign governments and international organizations since the the problem in and around the NKAO first surfaced, but they proved unwilling or unable to hear the voice of the Azerbaijani people. The talks held with the foreign visitors showed that it is difficult, if not impossible, for a single meeting to remove the false impression about Azerbaijan the Armenian side has skillfully created in the outside world.

Azerbaijani Refugees From Armenia Issue Appeal

NC2207130791 Baku Radio Baku Network in Azeri 1700 GMT 18 Jul 91

[Text] The anticonstitutional policy of the Armenian nationalists on the Nagorno-Karabakh Autonomous Oblast [NKAO] has created tragedy for hundreds of thousands of people. More than 200,000 Azerbaijanis have been expelled from their birthplaces in Armenia because of the deceptive claims put forward in connection with the NAKO.

This passage has been extracted from the appeal the Azerbaijani refugees from Armenia have conveyed to President Gorbachev and Anatoliy Lukyanov, chairman of the USSR Supreme Soviet.

The appeal adds: We insist that the fragmented Constitution and the citizens' rights be restored, the hostile policy adopted against the [word indistinct] cease, and the presence of the Armenian leaders, which has significantly harmed interethnic relations, be condemned. We also demand that the rayons inhabited by Azerbaijanis in

Armenia during the [word indistinct] in the past, that is, the [name indistinct] Krasnovosdskiy, Idzhevanskiy, and Noyemberyanskiy Rayons, be declared as an autonomous oblast within Armenia and that the Azerbaijanis, who were expelled from these rayons, be allowed to return.

President Mutalibov Answers Citizens' Appeals

LD2007161691 Moscow TASS International Service in Russian 1812 GMT 19 Jul 91

[Text] Baku, 19 Jul (Azerinform-TASS)—"Life in the oblast is returning to normal. This is happening largely because the subunits of the Soviet Army, the Internal Troops, and the USSR KGB are fulfilling their constitutional duty to Azerbaijan." This is the opinion of Ayaz Mutalibov, president of Azerbaijan, which he expressed in his letter in connection with the appeals by citizens of Nagorno-Karabakh and Geranboyskiy Rayon of the republic. It was published in the regional newspapers today.

Reporting that numerous letters, telegrams, and verbal appeals from workers of Nagorno-Karabakh Autonomous Oblast [NKAO] and Geranboyskiy Rayon have recently been received by him, as well as by the Supreme Soviet and Central Committee of the republican Communist Party, President Mutalibov notes that in these appeals, citizens of Armenian nationality condemn the nationalist and separatist forces, and express their readiness to live according to the USSR and Azerbaijani Constitutions. Requests for provision of the guaranteed safety of each house and each family are also contained in the appeals.

I think it expedient, Mutalibov notes, to form interethnic reconciliation commissions in every rayon, which should be composed of representatives of the republican organization committee for NKAO, and Azerbajani and Armenian communities which stand firmly on the positions of cooperation. The most important questions in the life of the oblast will be reflected in the law on the NKAO.

The president resolutely stressed that if those who are trying to fan the flames of interethnic hostility, block roads, and settle matters with weapons and arson, appear again, they will be prosecuted with all the severity of the laws of the Azerbaijan Republic.

15 Jul Joint Plenum Events Reported

NC2007134191 Baku Radio Baku Network in Azeri 1700 GMT 15 Jul 91

[Text] The Azerbaijan Communist Party Central Committee and the Azerbaijan Control and Auditing Commission held a joint plenum on 15 July. Ayaz Mutalibov, member of the CPSU Central Committee and first secretary of the Azerbaijan Communist Party Central Committee, delivered a report on the measures taken to strengthen the Azerbaijan Communist Party's organizational and political structure, which was then discussed by those present.

The nomination of presidential candidates was also discussed, and Mutalibov's nomination by many of the republic's work collectives was endorsed. A decision was adopted on the nomination of presidential candidates.

The plenum also examined organizational issues. A. Dzhelilov was relieved of his responsibilities as a member of the Azerbaijan Communist Party Central Committee Bureau because of his appointment to another post. A. Aliyev, first secretary of the Nakhichevan Oblast Party Committee, was elected by secret ballot as a member of the Azerbaijan Communist Party Central Committee and Central Committee Bureau. [Names indistinct] were also relieved of their responsibilities as members of the Azerbaijan Communist Party Central Committee Bureau because of their appointment to other posts. Rasim Agayev, chief of the Azerbaijan Communist Party Central Committee Ideology Department, was elected by secret ballot as a member of the Azerbaijan Communist Party Central Committee. Rasim Agayev was relieved of his responsibilities as a member of the Azerbaijan Control and Auditing Commission. Rustam-zade, Azerbaijan's plenipotentiary envoy to Moscow; (?Bedalchuk), chief of the Military-Political Administration of the Soviet Armed Forces in the southern theater; and Zhinin, commander of the Caspian Flotilla, were also elected as members of the Central Committee.

Tel'man Orudzhev was relieved of his responsibilities as the chairman of the Azerbaijan Communist Party Central Committee Commission on Agrarian Policy because of his appointment to another post. He will be replaced by Y. Abdullayev, secretary of the Azerbaijan Communist Party Central Committee.

The joint plenum thus concluded its work. Romanov and [name indistinct], responsible functionaries of the CPSU Central Committee, participated in the session.

Kazakhstan

Controversy Over 'Very Last' Semipalatinsk Tests

PM2207215991 Moscow TRUD in Russian 23 Jul 91 p 1

[O. Kvyatkovskiy report: "Will There Be an Explosion?"]

[Text] Kazakh SSR [Soviet Socialist Republic]—"I'll hand in my party card after the explosion," Olzhas Suleymenov, member of the USSR Supreme Soviet and president of the "Nevada-Semipalatinsk" Movement, stated to the Kazakh press.

The Semipalatinsk Nuclear Test Range has been quiet for around two years now. For the first time a popular [narodnyy] moratorium on tests of mass destruction weapons has worked. The antinuclear movement in Kazakhstan has had wide-ranging social repercussions and won many followers in the USSR and abroad.

Recently there was the first "leak" of information to the effect that another few "very last" explosions were being prepared at the range. The military then revealed their hand to the Kazakhs: The range will finally be closed for explosions as of 1 January 1992, but another three warheads need to be tested. The population will be paid 5 billion rubles as compensation.

Kazakh President N. Nazarbayev refuted reports that he had allegedly already sanctioned these explosions, stressing that the people would decide. For its part, the Kazakh Supreme Soviet is also reserving the final say for a regional referendum.

Preparations for polling the citizens are under way in Semipalatinsk, Karaganda, and Pavlodar Oblasts. It was in this situation that O. Suleymenov decided to state his view with his customary directness...

Meanwhile, holes have been drilled at the test range and, according to certain reports, nuclear warheads have already been placed inside and cannot be retrieved. It is being noted here that these charges are touchstones for the republic's sovereignty. These 300-kilotonne "stones" should ultimately provide an answer to the question of who really has sovereignty in practice—the Semipalatinsk Test Range or the republic on whose territory it is located.

Communist Party Plenum Backs Draft Union Treaty

PM2207155391 Moscow PRAVDA in Russian 22 Jul 91 Second Edition p 2

[Report by correspondents G. Dildyayev and T. Yesilbayev under the rubric "News for the Issue": "Position of Kazakhstan's Communists"]

[Text] Alma-Ata—A Kazakh Communist Party Central Committee plenum was held 20 July in Alma-Ata. Its participants discussed the questions "On the Kazakh Communist Party Central Committee's Position on the Draft Union Treaty" and "On Priorities and Directions in the Kazakh Communist Party's Ideological Activity in the Period of Transition to a Market Economy."

The report on the first question on the agenda was delivered by N.A. Nazarbayev, member of the CPSU Central Committee Politburo, first secretary of the Kazakh Communist Party Central Committee, and president of the republic. In particular, he noted that it is precisely the Kazakh Communist Party's clear position regarding the Union treaty that has largely predetermined political moods in the republic and has ensured unity among all democratic forces over this important question. The plenum participants expressed confidence that now that agreement in principle has been reached within the framework of the well-known "Nine plus One" statement and the practical formation of a renewed Union is beginning, the republic party organization will do everything in its power to support the new Union treaty in every possible way.

Kazakh Law on Employment of Population

914A0574A

For this law published in the 8 February 1991 KAZAKHSTANSKAYA PRAVDA, see the JPRS Report Soviet Union: Economic Affairs, JPRS-UEA-91-019, dated 19 April 1991, pages 17-27.

Kazakh Law on Development of Villages

914A0712A

For this law published in the 27 March 1991 KAZAKHSTANSKAYA PRAVDA, see the JPRS Report Soviet Union: Economic Affairs, JPRS-UEA-91-025, dated 20 May 1991, pages 1-8.

Kyrgyzstan

Further Coverage of Boris Yeltsin's Visit

OW2207073991 Moscow INTERFAX in English 1230 GMT 20 Jul 91

[Transmitted via KYODO]

[Text] On Saturday at about 20:00 Moscow time Russia's President Boris Yeltsin will begin his visit to Kyrgyzstan.

His 16-member delegation includes Prime Minister I. Silayev, Secretary of State G. Burbulis, Chairman of the Parliamentary Committee on Legislation S. Shakhray, Finance Minister L. Lazarev, the president's press secretary P. Voshchanov.

Official talks will begin on Sunday the 21st at 9:30 (7:30 Moscow time). They'll last for half an hour.

At 10:00 (8:00 Moscow time) participants in them will sign an agreement on bilateral relations.

At 8:45 (further on Moscow time will be indicated) a press conference will begin. After 11:00 B. Yeltsin will be flown to Lake Issyk-Kul where a motor ship will await him. At 18:00 a dinner will be given in his honour by Kyrgyzstan's president.

On Monday the 22nd B. Yeltsin will visit the Kalinin collective farm whose members are largely Russian-speakers, and discuss ethnic problems there.

At 15:15 on Monday Russia's president will leave for Moscow by plane.

RSFSR Delegation Visit Ends

LD2207135891 Moscow All-Union Mayak Network in Russian 1300 GMT 22 Jul 91

[Text] Our correspondent reports from Bishkek that Boris Nikolayevich Yeltsin, president of the Russian Federation, has ended his visit to the Republic of Kyrgyzstan. The state delegation of Russia spent this morning on the shores of Lake Issyk-Kul. The guests visited the local racetrack, health resorts, and farms.

The main result of the visit is the fundamental agreement that was signed on relations between the Russian Federation and Kyrgyzstan. This afternoon, Yeltsin and his delegation left Bishkek for Moscow.

'Mutual Benefit' of Economic Pact With Russia

OW2307043891 Moscow INTERFAX in English 0930 GMT 22 Jul 91

[Transmitted via KYODO]

[Text] The economic agreement signed on Sunday in Bishkek by the prime ministers of Russia and Kyrgyzstan is based on partnership and mutual benefit. Under it Russia will provide crediting for the most important joint projects. This involves Russian investments in Kyrgyzstan's economy in an amount approaching one billion rubles. The effect of these investments will be felt in Russia too, reports IF's [INTERFAX] correspondent from Bishkek. For instance, there are plans to build a 100-million-ruble worth tobacco factory whose capacity wil be 10 billion cigarettes annually. Russia is particularly interested in importing from Kyrgyzstan valuable fodder, lucerne, in jointly developing rich marble deposits and in building facilities for the processing of farm produce, such as meat, fruit, vegetables and wool.

Israeli Agriculture Group Visits, Meets Akayev

LD2007193291 Moscow TASS in English 1751 GMT 20 Jul 91

[By TASS correspondent Aleksandr Barshay]

[Text] Bishkek July 20 TASS—A delegation of the Israeli Ministry of Agriculture, led by Minister Raphael Eytan, arrived in the Republic of Kyrgyzia today. The delegation intends to familiarise themselves with the work of research institutions of the Kyrgyz branch of the All-Union Academy of Agricultural Sciences, of enterprises and institutions of the agro-industrial complex of the republic, and to discuss prospects of bilateral economic, scientific and technical cooperation. Earlier a Kyrgyz government delegation, led by Secretary of State of the Cabinet of Ministers Esenbek Duysheyev, visited Israel. A protocol of intentions on cooperation in the sphere of agriculture was signed.

Raphael Eytan was received by Kyrgyz President Askar Akayev. Republican Prime Minister Nasridin Isanov took part in the meeting. The sides reiterated the intention to develop and expand cooperation in economy, scientific and technological exchanges, tourism and humanitarian ties.

The Israeli delegation left today for a trip to the Issyk Kul region of the republic.

Laws on Illegal Trade Activities Amended

914A0610A

For this law amending legislation on illegal trade activities published in the 6 March 1991 SLOVO KYRGYZSTANA, see the JPRS Report Soviet Union: Economic Affairs, JPRS-UEA-91-019, dated 19 April 1991, pages 34-37.

Turkmenistan

Tax on Religious Organizations' Profits Cut

PM2107193791 Moscow IZVESTIYA in Russian 20 Jul 91 Union Edition p 1

[Ye. Kotova report: "Tax Cut"]

[Text] A decree by S. Niyazov, president of the Turkmen SSR [Soviet Socialist Republic], has introduced certain privileges for religious organizations' enterprises.

With a view to strengthening and developing religious organizations' economic and material bases, the decree states, the president resolves to cut the tax on the profits earned from the production activity of all religious organizations this year from 35 to 10 percent.

Uzbekistan

Tashkent Obkom Appoints New First Secretary

LD2207164191 Tashkent Radio Tashkent Network in Uzbek 0300 GMT 20 Jul 91

[Excerpt] Last night a plenum of the Tashkent Oblast Party Committee was held. The plenum examined an organizational question. Mamarasulov was relieved from his duties as member of the Bureau of the Tashkent Oblast Party Committee and first secretary, due to his

appointment as chairman of the Central Supervisory Commission of the Communist Party of Uzbekistan. Sayed Aliyev, previously chairman of the Tashkent Oblast Executive Committee and deputy chairman of the oblast Soviet of Peoples Deputies, was appointed first secretary of Tashkent Oblast Party Committee by secret ballot. [passage omitted]

Archive Materials on Repression Victims Displayed

LD2207115191 Moscow Radio Moscow World Service in English 0800 GMT 22 Jul 91

[Text] In the Republic of Uzbekistan, secret archive materials have been made public about the political repressions there in the 1930's, 1940's and 1950's. A show of documents has been opened in Tashkent, the republic's capital, displaying documents, letters, and photographs which mostly have been presented by the KGB of Uzbekistan.

A commission is now working there to rehabilitate the victims of the Stalinist repressions. The commission has already reinstated the good name of thousands of innocent victims of the repressions.

Lake Aral Residents Polled on Environment

OW1907041491 Moscow INTERFAX in English 0930 GMT 18 Jul 91

[Transmitted via KYODO]

[Text] The results of a sociological poll conducted in the area of ecological disaster adjoining Lake Aral in Central Asia have shown that almost one half of the people living in Karakalpakia don't believe in a better future.

According to A. Zholdasov, a leading member of the Soviet Sociological Association, this situation reflects the fact that many government resolutions concerning Lake Aral fail to be implemented. Besides, the social and other day-to-day requirements of the local population fail to be met. Living standards are deteriorating.

More on Central Asian Communications System

LD2307081991 Moscow All-Union Radio Mayak Network in Russian 2230 GMT 22 Jul 91

[Text] Aziya-Svyaz-Kosmos is the name of a new association which unites communication systems of the Central Asian republics, Kazakhstan, and Russian Soviet Federated Socialist Republic oblasts. Fast-developing contacts between the region's enterprises and organizations and foreign firms prompted the establishment of such an association. In view of this, Japanese experts are assembling a special international satellite communications station in Uzbekistan.

Draft Legislation on Enterprises Published

914A0514A

For this legislation published in the 29 January 1991 PRAVDA VOSTOKA, see the JPRS Report Soviet Union: Economic Affairs, JPRS-UEA-91-019, dated 19 April 1991, pages 10-17.

Law on Business Undertakings Published

914A0716A

For this law published in the 28 February 1991 PRAVDA VOSTOKA, see the JPRS Report Soviet Union: Economic Affairs, JPRS-UEA-91-024, dated 17 May 1991, pages 37-39.

Law on Banks, Banking Activities Published

914A0617A

For this law published in the 5 March 1991 PRAVDA VOSTOKA, see the JPRS Report Soviet Union: Economic Affairs, JPRS-UEA-91-020, dated 25 April 1991, pages 25-34.

Law on Income Tax Published

914A0614A

For this law published in the 7 March 1991 PRAVDA VOSTOKA, see the JPRS Report Soviet Union: Economic Affairs, JPRS-UEA-91-020, dated 25 April 1991, pages 34-44.